

The background of the cover is a photograph of an air traffic control tower's interior. Large windows provide a view of an airport tarmac with a white aircraft and various airport buildings. In the foreground, several computer monitors display air traffic control software, and a person wearing a headset is seen from behind, working at a console. A large, semi-transparent blue graphic element, consisting of several overlapping curved shapes, is overlaid on the image.

ANNUAL REPORT 2023 & FINANCIAL STATEMENTS

MALTA AIR TRAFFIC SERVICES



Contents



Chairman's Message	2
Chief Executive Officer's Message	4
Management Organisational Chart	5
Finance & Administration	6
Operations	9
Technical Support	13
Safety, Quality, Security and Compliance	18
AIM	26
Training	31
Human Resources & Occupational Health and Safety	33
Financial Statements 2023	37
Supplementary Statements 2023	83

Chairman's Message

GEORGE BORG MARKS

"Team effort is paramount to facilitating whatever we at MATS do."



Another year has gone by! Time really flies, as they say, and so do those aircraft that use the Malta Flight Information Region and Malta International Airport.

2023 has seen a significant increase in aircraft movements and this has brought about a heavy workload on MATS. It is with this in mind that I recall my days at air traffic control and I compare what we used to do in those days with what is being done nowadays. The first thing that comes to mind immediately is the common approach to the handling of aircraft then and now, even though most of the things have changed. The addition of a larger operations room for Area Control and Approach Control, which was erected quite a few years ago, has certainly improved the working environment and service delivery. Additionally, state of the art equipment has facilitated air traffic control tremendously.

One cannot forget the better working conditions enjoyed by all staff, be they operational, technical, administrative, maintenance and other support staff. It is the human element that is the core of the service provided by MATS. Team effort is paramount to facilitating whatever we at MATS do. Of course, one must not forget a strong management team that assumes the responsibility for whatever is done in the respective Sections.

We are now looking forward to a better future with more new projects required by Regulation and other infrastructural works which are necessary to house new equipment. All this will enable MATS to continue to improve on the already excellent service being provided to our stakeholders. I am confident that, with good, strong leadership and the professionalism of all staff, we can continue to overcome the challenges that we shall have to face in the future.

In my capacity as Chairman and on behalf of the members of the Board of Directors, I wish to thank all the staff and the respective Unions, for their dedication to duty and their loyalty to the Company. Working together in a spirit of cooperation is key to success.

Chief Executive Officer's Message

PERIT CLAUDE MALLIA

"Throughout the year, our teams successfully delivered major projects, reinforced collaboration, and continued to enhance safety, efficiency, and environmental performance."



2023 was a defining year for Malta Air Traffic Services (MATS). We not only strengthened our recovery from the pandemic but also achieved significant milestones across operations, environmental initiatives, and workforce development. Throughout the year, our teams successfully delivered major projects, reinforced collaboration, and continued to enhance safety, efficiency, and environmental performance, keeping pace with the evolving aviation landscape. Over the year, MATS managed 131,958 flights within the Malta FIR, reaching 79% of pre-pandemic traffic levels; a 31% increase over 2022. Sector occupancy, traffic complexity, and peak-hour throughput showed that both enroute and terminal sectors often operated near maximum planned capacity, yet we maintained 99.8% compliance with safety and separation standards. The unit rate for services decreased by 26%, from €32.92 to €24.41, reflecting higher-than-expected total enroute service units (TSUs) and adjustments under the revised RP3 performance plan.

A key operational milestone was bringing the Data Link Services (DLS) project into operation, including the new VHF Ground Station at Benghajsa, fully integrated with our Air Traffic Control Centre (ATCC) and ENAV facilities in Rome. The CPDLC Air Traffic Network (ATN) system was established ahead of European Court of Justice deadlines. Once fully operational in early 2024, it will strengthen controller-

pilot communication, ease voice channel congestion, and improve management of horizontal and vertical flight profiles, enhancing overall airspace efficiency and safety.

Our workforce remained at the heart of our success. In 2023, we concluded negotiations with the Malta Air Traffic Controllers Association (MATCA), delivering a new collective agreement that improves workers' conditions and sets a collaborative benchmark for other sections' union discussions. Negotiations with the ATSEP division are nearing completion.

Recruitment campaigns for ATCOs and ATSEPs have filled critical vacancies and targeted programmes and advanced training have further enhanced both technical capability and operational proficiency. Workforce planning will now also delve into supporting our managerial pool to strengthen leadership capacity.

Environmental sustainability and airspace optimisation continued to guide our strategy. Building on the successful introduction of Free Route Airspace (FRA) in 2022, we refined sectorisation, route availability, and conflict resolution procedures to reduce emissions. Continuous climb and descent operations (CCO/CDO) at Malta International Airport (MIA) were embedded into arrival and departure procedures, reducing CO₂ emissions, fuel

CHIEF EXECUTIVE OFFICER'S MESSAGE

burn, and noise footprint. Airspace metrics show improved trajectory adherence and reduced level-off times, consistent with SESAR efficiency goals and European decarbonisation targets.

Collaboration under the Blue Med FAB framework strengthened operational harmonisation across the Mediterranean. Sharing traffic data, synchronising procedures, and conducting joint exercises improved reliability, regional situational awareness, and compliance with SES targets. Beyond operational coordination, this collaboration also provides a platform for exchanging expertise, experiences, and insights among Air Navigation Service Providers. By sharing best practices, technological advances, and innovative solutions, our collective knowledge allows us to develop the most effective, safe, and efficient operational strategies across the region.

Looking to the future, an international Preliminary Market Consultation (PMC) evaluated options for upgrading our ageing Air Traffic Control Centre. Findings will guide investments in next-generation ATM systems, including ADS-B, multilateration enhancements, radar redundancy, and digitalisation of workflow and safety net applications. This year, MATS has not only continued to support INDIS in the management of Safi Aviation Park but has also rehabilitated Apron 6 within our

precincts for long-term Code C aircraft parking, generating additional revenue, enhancing operational flexibility, and diversifying income streams.

The achievements of 2023 reflect the dedication, professionalism, and expertise of our employees, who delivered safe, efficient, and reliable services in line with international standards. Our performance was recognised by TM-CAD, Eurocontrol, EASA, CANSO, and ISO 9001-2015 certification from UKAS BV.

As we look ahead, MATS will continue to pursue operational excellence, fiscal prudence, workforce development, technological advancement, and environmental sustainability. By harnessing collective expertise, embracing innovation, and fostering collaboration, we are well positioned to navigate the evolving aviation environment and secure long-term resilience and growth.

Leading MATS through this transformative year has been a privilege. I extend my sincere gratitude to the Board of Directors, our employees, and all stakeholders for their trust and support. Together, we will continue to build a strong, sustainable, and prosperous future for MATS and the Maltese aviation sector.



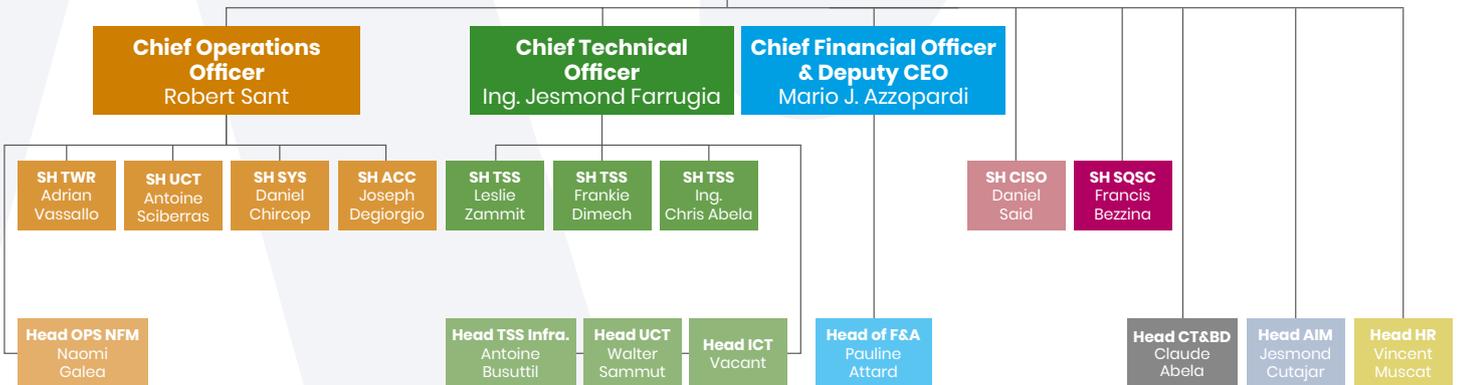
MANAGEMENT ORGANISATION CHART

Chairman
Mr. George Borg Marks

Board of Directors
 Profs. Ernest Cachia
 Mr. Ronald Vassallo
 Ms. Stephanie Mifsud
 Dr. Ian Borg
 Mr. Ray Lanzon

Company Secretary
Dr. Adreana Zammit

Chief Executive Officer & Accountable Manager
Perit Claude Mallia



Finance & Administration

MARIO JOSEPH AZZOPARDI
DEPUTY CEO AND CHIEF FINANCIAL OFFICER



During the financial year ending on 31 December, 2023, MATS registered a profit before tax of €6.853 million (2022 €5.143 million) and this resulted in a 16.5% decrease in the company's net asset value. In fact, as at the end of 2023, the value of the company increased by €5.677 million from €26.573 million to €32.251 million.

Financial review

REVENUE

During 2022 MATS registered a total revenue of €28,457,545 (2021 : €17,866,714). Of the total revenue generated, 74% (€21.160 million) is from charges for en-route traffic and 15% (€4.386 million) is generated from terminal navigational charges. The remaining 11% (almost €2.9 million) is generated from maintenance services and revenue from Government to reimburse MATS for the loss of revenue from the exemption of military aircraft.

Income from maintenance and technical fees together with 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.

EXPENDITURE

Similar to the cost structure of other ANSPs, more than 50% of MATS' total cost base consists of wages and a good percentage of the wage cost is of a fixed nature (basic wages). The vast majority of the other operating costs are also of a fixed nature. Total expenditure for 2023 amounted to €26,631,704 (an increase of €2.072 million or 7.78% from the €24,559,290 in 2022) and consisted of the costs shown in the **table below**.

The cost of wages and salaries is the largest component and, at €13.049 million, accounts for about 49% of the company's total expenditure.

Compared to the wage costs of €12.679 million for 2022, the wage bill of €13.048 million for 2023 increased by €370,082, or by almost 3%.

UNIT RATE	2023 (€)	2022 (€)	Variance (€)	Variance %
Wages & Salaries	13,048,853	12,678,771	370,082	2.9%
Depreciation	1,913,222	1,941,923	-28,701	-1.5%
Other Operating Costs	9,590,603	7,843,475	1,747,128	22.3%
Finance Costs	2,079,026	2,095,121	-16,095	-0.77%
	26,631,704	24,559,290	2,072,414	8.4%

“During 2023 Malta registered an increase of almost 45% in TSUs (from 666,812 in 2022 to 968,128 in 2023). This increase in traffic is significantly higher than the average increase of 10.3 % registered in Europe.”



Other operating expenditure for 2023 amounted to €9.591 million (2022 : €7.843 million). The largest cost component accounting to 40% of the total expenditure is regulatory and supervisory costs amounting to €3.837 million (2022: €1.868 million). The Eurocontrol contribution was the second highest cost component at €1.110 million (2022 : €1 million).

On the other hand, depreciation charge decreased by €28,701 or about 1%, from €1.942 million in 2022 to €1.913 million during the year under review.

STATEMENT OF FINANCIAL POSITION

The value of the company as at the end of 2023 increased by €5.676 million (about 21.4%), from €26.574 million as at 31 December, 2022, to €32.251 million at the end of 2023. Total assets increased by about €8.199 million (or some 10% from €82.946 million at the end of 2022 to €91.145 million as at end of 2023). Included in the amount of assets is €30.423 million in leased assets from the Government of Malta.

On the other hand, total liabilities increased by €2.520 million (4.5%) from €56.373 million at the end of 2022 to €58.893 million in 2023.

Included in the total liabilities is the amount due to Government in the form of shareholder's loans, amounting to €4.764 million (2022 : €4.298 million) and the lease liability €38.235 million on the property taken

FINANCE & ADMINISTRATION

over from the Government of Malta. During 2023 MATS invested €1.112 million in additions to fixed assets and the total cost of fixed assets as at 31 December, 2023, amounted to €49.147 million. Up to 31 December, 2023, €38.898 million was charged in depreciation on capital expenditure, leaving a net book value of €9.249 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 decreased from €32.92 in 2022 to €24.41 in 2023. The en-route unit rate for Malta remained one of the cheapest in Europe. As can be seen from Table 1 below, at €24.41 Malta's unit rate was

almost 61% below the €62.41 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 (see table 1).

En-route Traffic Review

During 2023 Malta registered an increase of almost 45% in TSUs (from 666,812 in 2022 to 968,128 in 2023). This increase in traffic is significantly higher than the average increase of 10.3 % registered in Europe. Table 2 below, shows the annual percentage growth in TSUs for Malta and the average of Eurocontrol member states. (see table 2).

UNIT RATE	2015 (€)	2016 (€)	2017 (€)	2018 (€)	2019 (€)	2020 (€)	2021 (€)	2022 (€)	2023 (€)
Malta	22.33	25.79	18.79	15.89	22.37	27.29	27.21	32.92	24.41
Average Eurocontrol Members	58.60	55.80	52.80	54.60	46.78	45.70	46.70	52.81	62.41

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

ANNUAL GROWTH	2015	2016	2017	2018	2019	2020	2021	2022	2023
Malta	13.2%	10%	12%	2.0%	9.1%	-61%	27.2%	32.4%	45.2%
Europe	4.2%	4%	7%	6.1%	2.8%	-56.4%	26.9%	63.2%	10.3%

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

Operations

ROBERT SANT
CHIEF OPERATING OFFICER

“Summer schedules for 2023 has seen a sharp increase in flights, sometimes exceeding pre-pandemic levels of traffic.”



Traffic Analysis for 2023

In 2023 [between January and December] Malta ACC handled a total of 29,197 arrivals (22.8% over previous year), 29,161 departures (22.9% over previous year) and 73,600 overflights (39.9% over previous year). Translated into time, Malta ACC provided 76,472 hours of service. [Source: NM STATFOR]

Extensive coordination with airline operators which normally use the Malta FIR was ongoing throughout the year to improve network efficiency and to facilitate the optimum routings for operators. Summer schedules for 2023 has seen a sharp rise in flights sometimes exceeding pre-pandemic levels of traffic (**see tables below**).

Routing schemes have also been developed to support operators in bypassing areas of conflict in Africa which have an impact on significant re-routings which some operators are forced to operate on. The

civil war in Sudan and geo-political issues between Algeria and Morocco all have an impact on the airspace of the Malta FIR managed by MATS. In addition, the airspace over Libya is still considered as potentially unsafe for overflights even though the airspace in the Tripoli FIR has been reopened for all traffic. Major operators continue to avoid Libyan airspace resulting in north-south flights routing via Egyptian or Algerian airspace. The combined effect of all these airspace issues forces flights to transit through the Malta FIR in a predominantly east-west direction between the Tunisia and Greek/Egyptian airspace. Summer 2023 traffic levels in Greek airspace also resulted in significant delays due to a sharp increase in tourism both in Greece and Egyptian resorts. To reduce or eliminate these delays some of these flights are offset into the Malta FIR to ensure safety of operations due to sector overloads and lack of ATC personnel in Athens / Makedonia ACC. MATS also continues to provide its services in providing a Flexible Use of Airspace

Top 5 LMML Main Users	Time Frame: 01/01/2023 - 31/12/2023
OPERATOR	TOT FLIGHTS
RYR - RYANAIR	21,385
AMC - Air Malta	13,638
DLH - Lufthansa	1,990
EZY - Easyjet	1,827
WZZ - Wizzair	1,499

Top 5 LMML Main Users	Time Frame: 01/01/2023 - 31/12/2023
OPERATOR	TOT FLIGHTS
QTR - Qatar Airways	7,286
MSR - Egypt Air	5,676
UAE - Emirates Airlines	5,108
SVA - Saudia Airlines	4,512
EYD - Etihad Airways	1,664



to maintain safety and efficiency when meeting the requirements of special users over international high-seas airspace in accordance with EU Single European Sky legislation.

Training of ATCOs & recruitment

In 2023, four ATCOs were validated in Area Control Surveillance rating. Towards the end of the year, Ops management and members of the CPDLC working group received training from Leonardo on the use of Datalink. This was done to be able to show and teach controllers in the way of transmitting messages and orders to aircraft via datalink, and likewise, receive requests and acknowledgements from aircraft.

There was no increase to the ATCO compliment for 2023.

CPDLC Project

After the SAT, further testing of the CPDLC software continued throughout the rest of the year. This helped identify additional issues, and inconsistencies with the required EUROCAE standards, thus requiring further software updates by Leonardo to reach the required system behavior.

The first live CPDLC took place on the night of the 9th of May with an Air Malta flight from Malta to Ben Gurion. A pre-defined set of uplink and downlink messages consisting

of both ATC clearances and pilot requests, including the required responses, were successfully exchanged. Another successful live trial was conducted on September 13th with a Qatar Airways flight. The trial flights also ensured that the required system's compatibility with ARINC and SITA-equipped aircraft was achieved.

The ATCO training and the phased implementation of the new software required a significant amount of planning. In October, four controllers were selected as the first group to be provided with the necessary theoretical and simulator training to be able to perform live trials during shadow operations which took place between November and December.

27th Edition of the Malta Airshow 2023

Operations team were heavily engaged in the preparation and organization of the 27th Edition of the Malta Airshow which was at St Paul's Bay during the last weekend of September. Display teams for this event included the Red Arrows, Flying Bulls, Patrouille Suisse, SOLOTURK to mention a few.

The preparation for the airshow, which is now being organised every two years, starts months in advance.

There are several elements to planning an airshow – coordination with the airshow committee, identifying airspace

“The preparation for the airshow, which is now being organised every two years, starts months in advance.”

requirements for display teams / solo participants, impact assessment on commercial aviation and local VFR traffic plus coordinating airspace restrictions at network level. The seasonal schedule for commercial airlines is determined at the start of the year and unplanned disruptions to the schedule would cause delays to the passengers. In order to mitigate this, we have an obligation to inform airspace users as early as possible so that they can update their schedule accordingly. Operationally, we optimize runway usage as best as practicable and allow departures / arrivals on runways which are not affected by the airshow display area.



27th Edition of the Malta Airshow 2023.

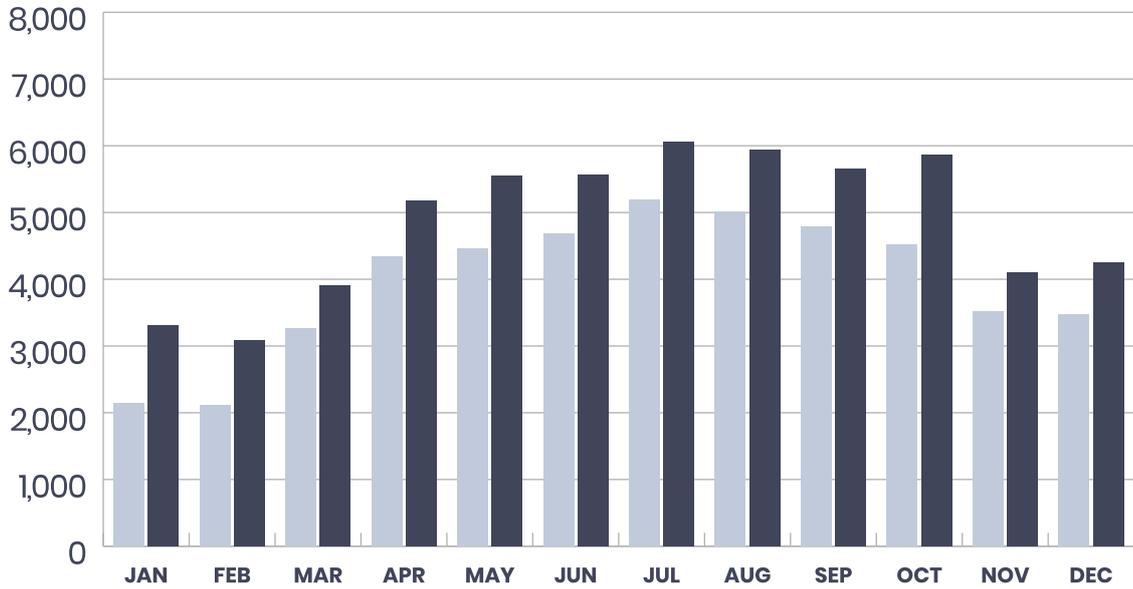
This arrangement increases operational pressure on air traffic controllers who are providing air traffic services to airshow participants and commercial traffic alike. The ATCO compliment in the Tower is increased for this purpose.

Once the airshow comes to an end, a debrief session is organized with the organising committee and lessons learnt are recorded for future events.

Consultation with Stakeholders

The introduction of CPDLC and the organisation of the Malta International Airshow would not have been possible with the consultation and coordination with different stakeholders in the industry. Major events, such as the Malta International Airshow would not be possible without the consultation and coordination with stakeholders such as TM CAD and Malta International Airshow. Furthermore, airlines who operate from Malta such as Air Malta and Ryan Air are informed as early as possible with the planned airspace / airport closure times so that they can update their schedule as early as possible.

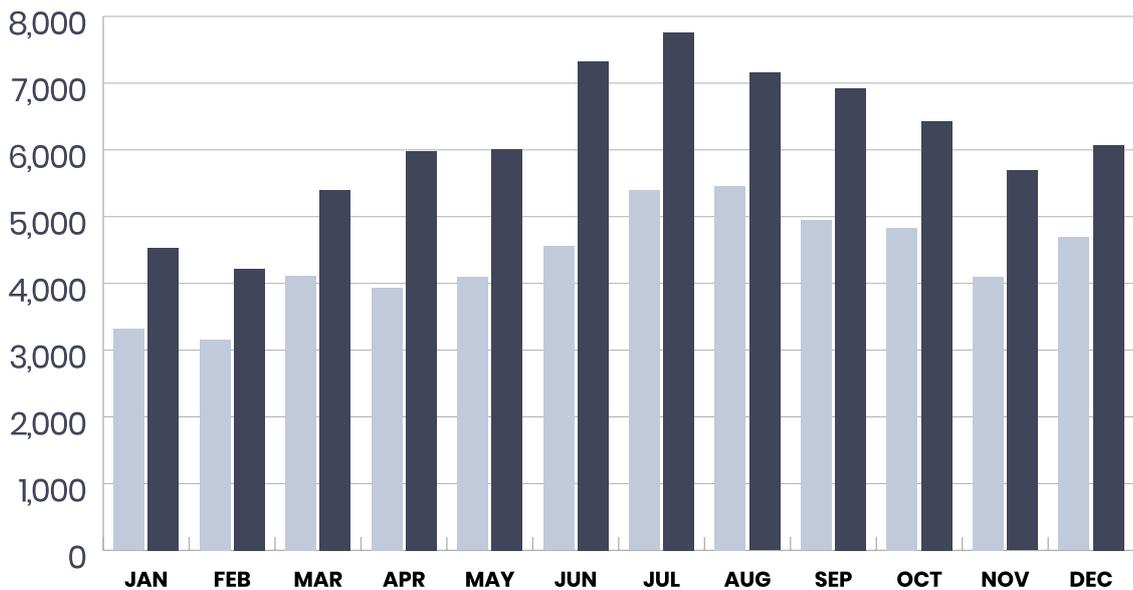
EN-ROUTE TRAFFIC IN MALTA 2022 vs 2023



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	2,139	2,115	3,258	4,344	4,466	4,684	5,198	5,006	4,794	4,524	3,512	3,479
2023	3,306	3,090	3,904	5,182	5,549	5,571	6,053	5,944	5,655	5,859	4,100	4,245

Source: EUROCONTROL

INTERNATIONAL TRAFFIC IN MALTA 2022 vs 2023



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	3,317	3,163	4,115	3,937	4,093	4,557	5,391	5,463	4,943	4,827	4,097	4,688
2023	4,536	4,219	5,399	5,982	6,009	7,330	7,761	7,156	6,927	6,434	5,690	6,067

Source: EUROCONTROL

Technical Support

ING. JESMOND FARRUGIA
CHIEF TECHNICAL OFFICER

“The Technical Section provides all the necessary support to ensure a safe and efficient Air Traffic Operations with regard to Air Traffic Management, Communication, Navigation, and Surveillance.”



COMMUNICATION, NAVIGATION AND SURVEILLANCE COMMUNICATION

R&D within the Communication Domain

The R&D works within the communication section continued with the design of filtering, antennae and amplifiers. Our main objective in investing in R&D is to enhance the knowledge of personnel in this area while experimenting with methods and production techniques to sustain part of the VHF farm and the demanding RF requirements. Initially, the work focused on the production of the Yagi antennae and the tuning according to our specific requirements taking into consideration the harsh climate exposure, especially at the Dingli site. The team is led by two experienced ATSEPs and includes also the younger generation ATSEPs. The work involved the theoretical calculations to meet the specifications, CAD and specialized software for the design (including the use of a 3-D printer) and production of the various antennae. Ad hoc support from a Professor from the University of Malta was also involved, particularly in the theoretical verification of etched antenna power divider units. The R&D involves also aluminium works, tuning, and verification of the specifications using state-of-the-art test equipment. The antennae were finally assembled and installed to enable the initial field testing.

Refurbishment of VHF farm and Rx Site Contingency Project

- 3 sites (Fawwara, Hal Far, Mtarfa) fully furnished with UPSs enabling with an estimate savings of around €40k.
- Hal Far & Fawwara Epic microwave links were replaced with UHF links achieving additional monetary savings.
- Fawwara fully operational as Contingency Rx site. This was enabled through C_Net, an in-house designed and cyber security protected network. It was tested and introduced in operation, thus achieving 1st major operational phase of migrating from Dingli of the contingency setup. The 2nd phase contemplates the transfer of the East and Approach contingency frequencies to Hal Far with the 3rd and final phase of the remaining frequencies to Mtarfa.

Main VHF Sites and System

- This involves the maintenance, organization, design and in-house production of antennas, cable replacement.
- Refurbishment of Dingli Rx site with new DC rectifier, replacement of 80 % of the Antennae and cables, filters, and preparatory works in lieu of the total replacement of the receivers.

- Implementation of the 1st phase (out of 4 phases) contemplating the total replacement of main system receivers. The 1st phase included the replacement of 15 Jotrons Receivers with new VoIP units. Confirmed order for the replacement of the remaining receivers (2nd phase), consisting of 12 Parkair Air units planned for March 2024 installation. The end of the 2nd phase would establish the total refurbishment of the Receiver site and all units to VoIP.
- Improvement to main West, East and Distress frequencies' coverage through the introduction of pre-amplifier, multi antennas and high power amplifiers.

Migration from 25KHz to 8.33KHz

The VHF frequencies used in the West and VCR have been converted from 25KHz to 8.33KHz channel separation.

SURVEILLANCE AND DATA PROCESSING

Data Link Services

The Data Link Services project took up most of the resources throughout 2023. The project had taken off from a contract signed with Leonardo via financial aid from the European Union, and it included a VHF Ground Station (VGS), Aviation Transport Network (ATN) Routers and an upgrade of the ATM System software.



The Data Link Services project in Bengħajsa.

“From a tactical perspective, 2023 was challenging due to the number of projects that were completed particularly the Datalink.”

DLS is mandated by the European Regulation and our tardiness had led to infringement letters and EUCJ proceedings.

Bengħajsa was recommended by Leonardo as the VGS site, but it was in derelict condition. The site was cleaned and upgraded with a new electrical installation and air-conditioning system. A used generator was installed as a back-up. The antennas were to be mounted on the wooden masts that were certified by a structural engineer.

At the management level, the project hit various obstacles. The actual title owner of Bengħajsa station and its perimeters were the subject of various meetings with other interested governmental authorities. It turned out that the site had been used as dumping site while a project for public access was also in hand.

Another difficulty was the access to the ATN from our VGS. The Communications Service Providers (CSP, namely ARINC and SITA) already had their VGS installed but they had to be convinced to allow us to switch on our VGS. Effectively they had to allocate us a GSIF address while we provided them AOC data. However, the CSP were deprived of their expected lucrative contract for the provision of ATN data to MATS.

In order to meet our Control and Monitoring requirements, we supplemented the ATN equipment with the Element Manager.

Furthermore, to meet the Company’s cyber-security practices, extensive and complicated solutions had to be sought before the actual deployment.

The DLS project also entailed ATSEP and ATCO training and baseline upgrade of the ATM System and pen-tests. These tasks were very demanding but were handled by colleagues.

As the AOC data provision is based on email support, the Section planned to exploit its 24/7 coverage set-up to support this service to ARINC and SITA. A document explaining the set-up was drafted and released to the ATSEP as guidance. Sessions were organised for the staff to explain the set-up, demonstrate some practical tasks and reply to fielded questions. The level of engagement of the ATSEP on AOC and DLS in general was positive and very satisfactory.

ADS-B

The ADS-B project had been halted during the COVID pandemic and could not progress to focus all resources on the pressing DLS deadlines. However, after the November Site Acceptance Tests, more effort could be spent on ADS-B, however Leonardo seem to have been less prepared and the progress has been slow. Anyway, we did host some on-line meetings to discuss the overall plans based on the operational priorities of the Company.

From a tactical perspective, 2023 was challenging to keep all radars operational as Leonardo had sold key assets of its logistics support. The sustainability of Hal Far and Fawwara Radars was questioned, and plans had to be quickly considered to secure these important radars. Leonardo promised to set-up their logistics and to re-acquire their logistic support capabilities. These would have to be proven in 2024.

Upgrade of ARTAS Systems

In 2023, the operational ARTAS systems were upgraded from version 9.0.1 to 9.0.2. This task involved the installation, testing and evaluation of the new version before it was eventually installed on the operational systems. Following the implementation of V9.0.2, works started immediately on the installation and testing of the latest released version V9.1.0 in the Testbed environment.

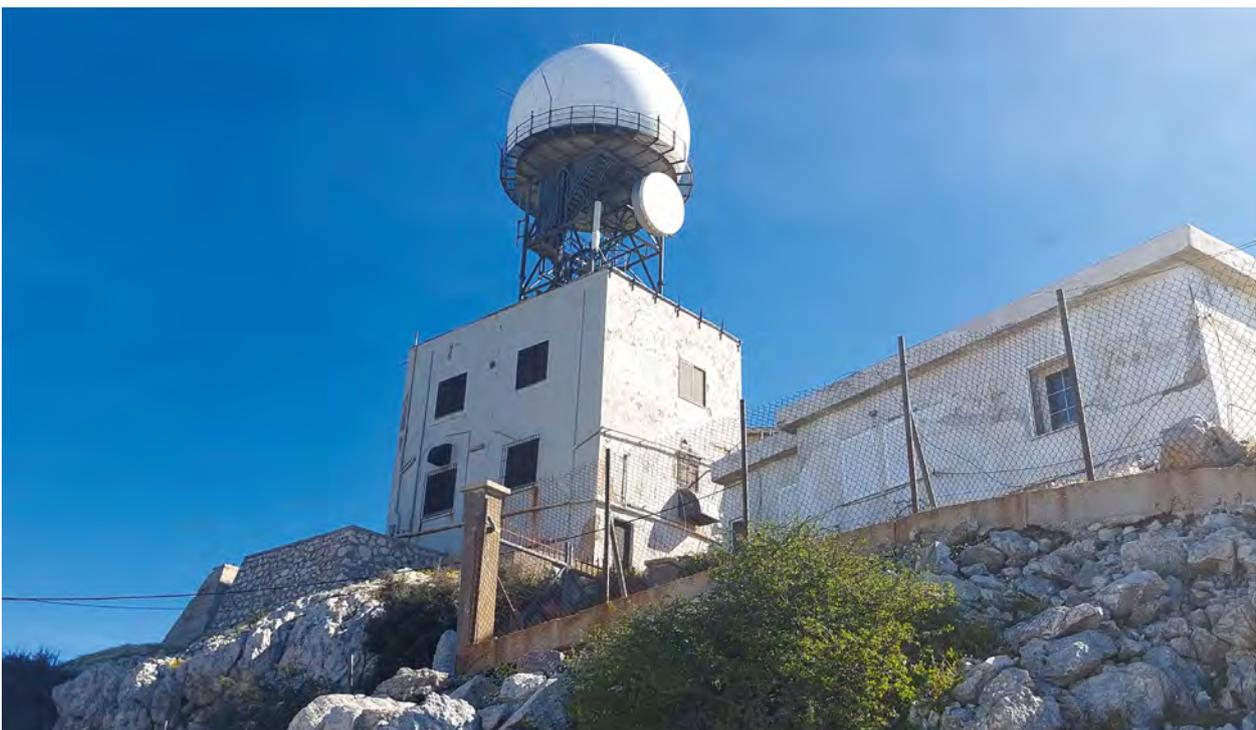
Migration to NewPENS and implementation of FMTP

The OLDI connection between MATS and HANSP was migrated from the point-to-point link to NewPENS using the FMTP protocol. This was the last OLDI connection to be migrated to FMTP which effectively closed this project.

During this process, MATS and HANSP agreed to introduce the OLDI REV message intended to enhance the coordination efficiency between the two ATS units.

Upgrade of the communication system in Lefkas

During 2023, MATS reached a collaborative agreement with HANSP to upgrade the communication system in Lefkas site to improve the reliability and resilience of the SSR flows originating from Lefkas radar. Regular and frequent interruptions were experienced on the SSR radar flows originating from Lefkas. These were attributed to the unreliable and obsolete analogue serial technology used to transport the data from Lefkas to Athens ACC. HANSP accepted the support from MATS to upgrade the internal communications architecture to utilise the 2Mbps digital connection present between Lefkas and Athens. This was an important step for MATS to achieve the expected reliability of the surveillance which is strategic for the safe and continuous operations in the Eastern part of the LMMM FIR.



Upgrade of the communication system in Lefkas.

Data Distribution System

A new distribution architecture was introduced to support the efficient and secure exchange of surveillance flows with adjacent ATS units over the NewPENS network. During Q3 of 2023, MATS started the initial testing of the surveillance flows exchange with ENAV over NewPENS. This project contributed to the reception of the Mode-S EHS target reports from Ustica radar. The operational migration of the Surveillance flows over NewPENS with ENAV is planned for Q3 2024.

R&D in the DPR Domain

The Technical section aims to make the best use of the available resources and tools in order to improve the monitoring of the services provided. In this regard, a number of initiatives were launched utilising in-house expertise and skills. This included the development of the following in-house software applications:

- **AST (ADS-B Statistical Tool)**
This application consists of the automatic collection, analysis and production of statistical computations related to the ADS-B performance in the EAST part of LMMM. The application has been upgraded to integrate future ADS-B contributions.
- **The SBS and FLB Switching applications**
These two applications enable a simple and swift mechanism to switch the control of the SBS and FLB positions from the Main OPS room to the Contingency OPS Room
- **Development of scripts**
Various scripts were developed on the ATM systems and SIM systems to facilitate automation.

The above consolidates the skills and expertise of the ATSEP involved whilst providing tailored solutions for MATS specific requirements with no additional costs.

ICT and SOC

The ICT and SOC was moved out of the Technical section with the long term objective to separate the SOC from the NOC. The ICT/NOC part of the section needs to be handed over to a new Structure within the technical section, as per original agreement. Unfortunately, the required resources to support the new structure were not provided. Hence, the handover process was not carried out during the year 2022.

Training and New Recruits

Unit Competence and Training

The 'Unit Competence and Training' of the Technical Section continued to achieve good progress in ensuring compliance, as required by Annex XIII (Part-PERS) of EU Regulation EU2017/373 (Common requirements for ATM/ANS providers). Competence assessments for the ATSEP in the Data Processing domain were fully completed in 2022. The latter is considered as a significant milestone, as it enables all Level 2 ATSEP to be certified in one of their two domains. From a training point of view, the unit planned a substantial number of courses, some of which were delivered by our own classroom instructors. ATSEP training included ATSEP Basic and Qualification training, System and Equipment training, and Development training.

The learning curve for an entry ATSEO-Trainee to become fully trained personnel is approximately five years from the day of employment.

Recruits ATSEO-Trainees

Within the next four to five years, fourteen ATSEP will reach their retirement age. Some would even opt to retire earlier than their sixty five years of age stipulated by Law. Recruitment for new ATSEO-Trainees needs to be continued. However, it is becoming impossible to obtain the necessary authorisation to continue with the succession planning of the Section.

Safety, Quality, Security and Compliance

FRANCIS BEZZINA

SENIOR HEAD SAFETY, QUALITY, SECURITY
AND COMPLIANCE



The year 2023 was another challenging year for the SQSC section with regulatory requirements coming in like hot cakes and challenges coming from the improvement works at Malta International Airport where the entire aerodrome was impacted in a way or another due to the extent of improvement works being done. While these works are all applauded because they will improve in a dramatic way the MIA infrastructure, as expected the restrictions generated have impacted MATS operations and consequently the SQSC section. In parallel with all this we are breaking records in the amount of traffic being handled at MIA and the Maltese UIR. This evolving landscape contributed to higher workloads on the SQSC section and its support team. And above all this, the SQSC section is continuously measured by third parties for performance namely EASA (EoSM and JC), EUROCONTROL and CANSO (SoE and CANSO SSC), ISO 9001-2015 (BV-UKAS), TM-CAD and the CANSO SIEP mechanism. This pot of activities generates a lot of pressure on the SQSC section, the performance of the section is continuously benchmarked and the setting of KPIs and PIs is now moving notches upwards on the stringent side. As in previous years, the SQSC section had to handle all the oversight and auditing activities including TM-CAD inspections and the recertification of UKAS BV ISO 9001-2015. The number of audits/inspections that we had during 2023 was again on the high end especially from TM-CAD.

The main objective of this report is to provide an insight into the SQSC's main events for 2023. It is important to take into consideration the fact that the SQSC section prepares a comprehensive Monthly and Annual report which are forwarded to the CEO.

- **Complicated Safety Cases:** This year we continued with the upgrade of the VOR and DME Gozo and DLS/CPDLC project. The Gozo VOR/DME project is expected to be concluded around April-May 2024.

The CPDLC project which required a lot of resources spread over infrastructural works, surveillance infrastructure and the ATM System was the MATS main project for 2023. It required an agreement with ENAV for the ATN routers, with ARINC and SITA for the AoC and loads of background work including work on the cyber security domain to assure resilience. The project achieved its intended objectives during November 2023 when a KM flight from Malta to Ben-Gurion Airport in Israel logged for the first time with CPDLC service delivered by MATS. The testing continued, and we started Operational CPDLC service for a daily amount of hours from December 2023 onwards until moving to full 24X7 service in Q1 of 2024.

- **Safety Surveys:** MATS AIM office, examining the CAD and MIA outlook on the service being provided is still ongoing due to some updates in the structure and the

“As in previous years, the SQSC section had to handle all the oversight and auditing activities including TM-CAD inspections and the recertification of UKAS BV ISO 9001-2015.”

safety culture survey had to be postponed to 2024 due to social and ethical reasons. Another very important survey that was commenced late in 2023 is the survey on the ILS infrastructure maintenance and the standard of service being provided to our customers. This survey continued deep into 2024 because it requires the monitoring of the preventive and maintenance structure over a set of months.

Safety Assessment process Updates:

When we thought that we completed the process of overhauling the Safety Assessment Process which was approved by CAD and EASA respectively another kid on the block disrupted the planning of the SQASC section. The introduction of *COMMISSION DELEGATED REGULATION (EU) 2023/1768 of 14 July 2023 laying down detailed rules for the certification and declaration of air traffic management/air navigation services systems and air traffic management/air navigation services constituents* which was effective from September 2023 requiring a major overhaul on how we certify and approve ATM- ANS ground equipment. We initiated the work slowly because the regulation was still being tweaked and supported by more information and the baselines were still somehow blurred. Now the work is an ongoing process, new information especially on the Statement of Compliance (SoC) is still coming in and

we are reacting and adjusting as we go along to finally formulate a process that is meeting requirements, yet practical and effective. The matter of the Design or Production Organization (DPO) is still being explored because clear and definite information is still lacking and exact knowledge on what it entails and how is this going to be managed is still mired in mist.

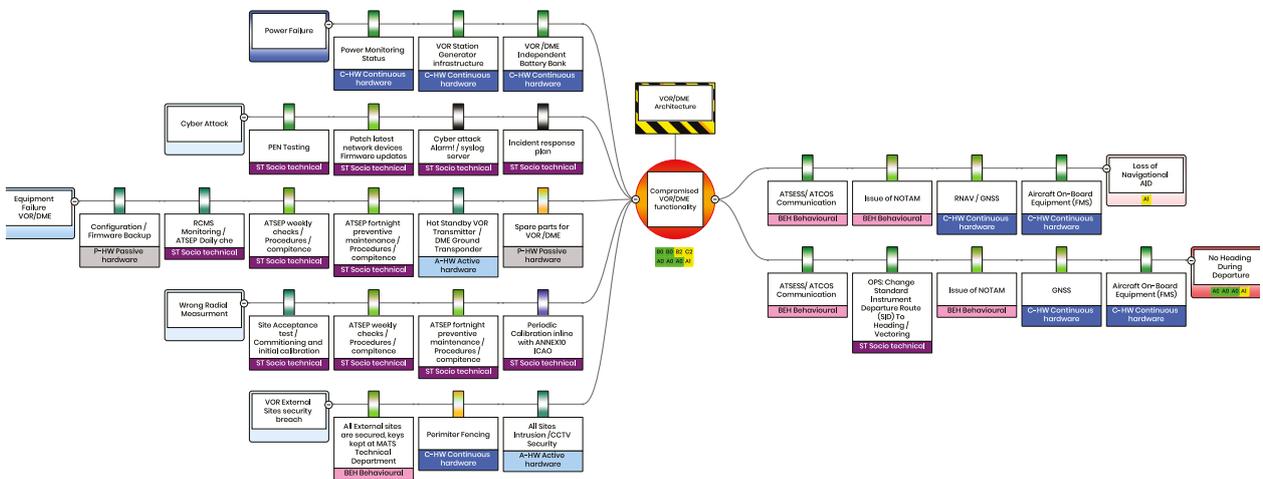
The MATS Safety Assessment (SA) and Safety Support Assessment (SSA) process which was remodeled in line with EU Regulation 2017/373, towards a “total system approach” which entails a logical and technologically consistent approach including connecting domains to ATM/ANS will now be revisited in due course to take on board the certification and declaration of air traffic management/air navigation services systems and air traffic management/air navigation services constituents safety requirements.

The “total systems approach” that is corroborated in the EU Regulation 2017/373, is based on the fact that the aviation system components, products, operators, crews, aerodromes, ATM/ANS are part of the single aviation network which as is being experienced will be more and more integrated through the implementation of new technologies and concepts of operations, under the principles of the Single European Sky.

EASA reviewed the current version of this procedure for safety and risk assessments, and they sanctioned the MATS setup, even claiming this is one of the good ones that they came across during inspections.

- The BOW-Tie software methodology advancements in 2023** In this area we are also achieving our objectives and gaining very good expertise. The bowties are now being created on all major safety assessments. The knowledge gained is now bearing fruit and is facilitating the safety assessment process work. Below is an example of the bowtie process applied to the new VOR Safety Assessment process.
- E-TOKAI Software:** During 2023 this was again updated and improved. We are now working on the new tools being included in this important Eurocontrol Tool which we are using for occurrence reporting and investigation, now we are exploring the dashboard designed for the power BI that Eurocontrol are developing for data analysis. The latest version of the E-TOKAI has not been released yet (Rev 4.0), it will be entirely based on the Power BI tool, however the process is still ongoing, and the released version is now expected in Q3-4 2024.

- Occurrences and the Investigation Process:** The SQSC investigation team conducted Fact Findings, Full investigation, and Data gatherings on several Operational and Technical Occurrences together and a never-ending number of transcripts. The list is available at the SQSC office. The SQSC section also supported the BAAI and TM-CAD on occurrences when these are requested. Impounded recordings are stored within the CADMOS ISS system and accessed by the investigator assigned by the SQSC office using a unique username and password. We are also using these tools for lessons learned activities during briefing sessions to staff.
- Training:** Most of the SQSC training was done at IANS where members of the SQSC Specialised team attended Human Factors, Safety Tools, Management of Changes Introduction, Assessment of changes to the Functional system and Safety Management System. More complicated training is being introduced which as it comes available. The safety team needs to be fully trained and competent to execute the relevant duties with professionalism and diligence. The biggest problem at the moment is the waiting list for these courses at



The BOW-Tie software methodology advancements in 2023.

Eurocontrol - Luxemburg and the internal sections training affecting the SQSC training. Still we do our best to ensure that training of the team is afforded the deserved priority.

- **Auditing:** The internal Auditing process was initiated in March 2023 and all auditing process was concluded by Mid of August 2023. Most CARs were completed, and remaining ones are being tackled with the SQSC section PoC of each unit. These internal audits are the feelers of the company and a health check of the organisation. This year BV audits were conducted between the 22nd and 23rd of August. Thanks to the work of the SQSC team and the support from the entire organisation MATS again had a solid result with no findings for the 17th year running. CAD audits were performed at MATS premises in May (Training Section) and October (MATS on EU 2017/373 provisions) all were completed with minor findings which we are closing with the sections involved.
- **Effectiveness of safety management (EoSM) ANSP level RP3:** MATS improved over last year, in fact we again achieved more than 80% level of maturity which is considered as first rate. <https://www.eurocontrol.int/prudata/dashboard/>

RP3 performance targets reviewed to reflect the effect of the pandemic on the industry, latest updated mandated with (EU) 2021/891 of 2 June 2021 setting revised Union-wide performance targets for the air traffic management network for the third reference period (2020-2024) and repealing Implementing Decision (EU) 2019/903 is now fully implemented.

- **CANSO Individual Identified Report (CANSO IIR):** We are also regularly participating in the CANSO Individual Identified Report (CANSO IIR). We are one of those ANSPs which publish all our data for transparency. The Standard of Excellence (SoE) on the other hand which is much more complex and now being adopted by EASA for the RP4 is offering challenges to all ANSPs, however, in 4 years with a lot of sacrifice we managed to enter the most mature group of Europe Eurocontrol and the CANSO group. The extract (below) from the organisation confidential report clearly states that MATS is in group C. This entailed a lot of work and activities, the SQSC can declare that the EU requirements for RP3 (2024) are already achieved by MATS. The diagrams below refers.
- **EUROCONTROL** is developing a software tool named CARMA/ARM for ANSPs which



CANSO Individual Identified Report (CANSO IIR).

provide a stand-alone platform to help ANSPs in keeping up-to-date regulatory requirements relevant for ATM/ANS and ADR compliance management, this tool is maintained by EURCONTROL. The SQSC section is planning to introduce this tool in the coming year 2024, at the moment we are just following developments and we plan to be users to facilitate the management of the regulatory framework being EU-EASA/ ICAO/ ISO and maybe later also EUROCAE. This is a very important activity especially in the aviation environment where requirements are changing endlessly.

- **The Security Operations Center integration within the SQSC:** The main objective of a SOC unit in an organization is to assure robustness, confidentiality, integrity, and availability of the networks and communications on a 24 hour basis. It needs to include a resilient setup, robust systems engineering supported by an effective cybersecurity policy and procedures and a competent workforce. One critical element the cybersecurity operations is: monitoring, analyzing, responding, and recovering from cyber-attack. The operational focal point for incident detection, analysis and response is the cybersecurity operations center (SOC). Basically all ANSP organizations have some form of a SOC, be it internal, contracted service or a mix of both depending on the decision taken at the strategic level of the organization. MATS is no exception and it had to decide on a setup to ensure that its operations are protected from cyber malintent as much as possible. The most important aspect of the SOC is to continuously protect against attacks, and, if the cyber hazard hits the organization it has to be capable to recover in the minimum time possible protecting its data and systems all the way.

The SQSC section based on advice from subject matter experts took the decision to involve C-CSERT Malta to support its corporate network side of things while

affiliating the Operational side with the Eurocontrol EATM-CERT to ensure full support from the experts in the domain.

- **Safety Planning:** The SQSC section plan covering also at high level what remains of RP3 and preparing the groundwork of RP4 was prepared and forwarded to CEO for approval. On the other hand the section planning for the next 3 years was also presented to the CEO. Updates based on the new realities and the impact of EU 2017/373 and related regulations was forwarded as part and parcel of the company annual plan.

Succession planning is one of the main challenges of the SQSC section. A plan has been presented to the CEO, this is being implemented gradually. The fact that the current SH-SQSC is approaching retirement requires immediate actions to assure business continuity and a seamless changeover when the incumbent retires. The SQSC human resources portfolio is well equipped with competent staff and this is one of the strengths of the SQSC section. Let us assure a continuation of this trend for the common good of MATS.

- **Safety Culture Survey** is planned for Q2 2024, SQSC will conduct the survey with the support of the University of Malta. A team of surveyors supported by the SQSC office staff has already been appointed to work on the project.
- **Security Management System** pillar is mature and delivering what is expected. New regulatory requirements are coming in daily and we have to adjust and abide as necessary. 'Aviation security' means the combination of measures and human and material resources intended to safeguard civil aviation against acts of unlawful interference that jeopardize the security of civil aviation International conventions demand States to criminalize new and emerging threats to the safety of civil aviation An act is considered as an offense in the case that an air navigation facility is interfered – destroyed or damaged if any such act is likely to

endanger the safety of aircraft in flight. ICAO Annex 17/ ECAC Doc 30/ Maltese law CAP 405/ EU 300-2008/ EU 2015-1998 / EU 2016-114 /EU 2019-103are the major laws that the setup needs to adhere to. This is being done to assure the security of the MATS staff and all of its facilities.

Safi Aviation Park

The SAP project is moving ahead in a solid way, reasonably we can declare that we are achieving our objectives. The park is regularly inspected, tenants trained in safety culture, we published the Operations Manual and put in place the safety pillars and an organisational structure functioning under a management system setup. The tenants are now well versed in the processes. This project is ongoing, one can easily consider it as success story for MATS.

Concluding Remarks

The year 2023 presented the SQSC section with challenges due to the constant changes to regulatory requirements. On an ongoing basis, new requirements are coming in EASA, Eurocontrol, and also CANSO. Cyber Security and now the Security Operations Centre are top priority and in this area human resources are needed.

Another aspect is drones, these new flying machines are another headache, the technology applied continues to evolve quicker than the regulations that oversee the drone sector, we are left with the undesirable task of adapting to emerging threats with guidance which may need continuous updating because this landscape is evolving by the hour. Attention on safety is being driven to data analysis, research, and new methodologies which we need to assess and introduce like the new dashboards using power BI from EUROCONTROL. The resilience of Operational safety requires time to monitor, discuss, and visits to all operational areas to ensure that the SQSC section is getting first-hand information to mitigate for emerging threats

before the hidden dragons bite with all the consequences that follow.

We need to be on top of our game, but we need time and time is not available because it is eaten by hours of dealing with rules and audits/surveys from all angles. Time is approaching for a major rethink on how things are being done. We need more simplicity, less voluminous regulatory requirements and more practicality in what we are obliged to do to ensure that safety is factually being given top priority. The SQSC managed to achieve continuous improvement since the unit birth way back in 2005, we must strive to maintain the momentum for the years to come if MATS wants to remain in the group of best achievers in Europe. It is achievable with great personal sacrifice and dedication of the entire team that supports the SQSC section.

“Misdirected focus on paperwork, on procedures, and on bureaucracy frustrates teachers and fails to give children the education they need.”

Christopher Bond

Mission Statement

Our Vision

To be recognised as one of the Euro-Mediterranean region's most respected Air Navigation Service Providers:

In the eyes of our airspace users for our safety and security performance record;

In the eyes of our customers for our cost effectiveness, service and efficiency; and

In the eyes of our employees for establishing a motivating and satisfying workplace within a Just Culture environment as well as providing opportunities for an inspiring career.

We seek continuous improvement of safety, security, efficiency, environmental responsibility, and excellence. We are responsible to the general public, users of our airspace and all our stakeholders.

Our Values

Safety and Security are our priority.

We strive so that all users of our airspace travel safely through our airspace.

Excellence is our promise.

We endeavor to achieve results that represent 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 afford continuous improvement of our services.



Claude Mallia
Chief Executive Officer & Accountable Manager



Integrated Management System Policy

ISSUE 8 Dated 01/08/22

Malta Air Traffic Services Ltd (MATS), the Air Navigation Service Provider responsible for the Malta Flight Information Region, is fully committed to providing a safe, secure, high quality and efficient service.

MATS considers Safety, Quality, Security and Compliance as its overriding responsibilities and, consequently, these factors are accorded the highest priority notwithstanding any commercial, financial, operational, social pressures, and constraints.

MATS proactively and continuously seeks improvement towards the highest performance standards of its services, processes and systems applying quality objectives within an Integrated Management System which meets the requirements of the International Standard ISO 9001:2015 and all relevant national and international obligations.

To ensure this, **MATS** applies a **Just Culture Policy** warranting that all employees;

- abide to standards and best practices established;
- are adequately trained as necessary to retain competence in their area of expertise;
- report occurrences, hazards or any matter/situation which may impair its services;
- are aware of the hazards brought about by stress, fatigue and the use of psychoactive substances, encouraged to lead a healthy lifestyle, whilst making available resources for recognizing, preventing and addressing identified issues;
- are involved and encouraged to forward suggestions and recommendations for improvement.



Approved by:

Francis Bezzina
Senior Head Safety, Quality, Security and Compliance

Robert Sant
Chief Operations Officer

Jesmond Farrugia
Chief Technical Officer

Mario J. Azzopardi
Chief Finance Officer

Claude Mallia
Chief Executive Officer & Accountable Manager



AIM

JESMOND CUTAJAR

HEAD AIM

“This was the busiest year ever for the AIP department.”



AIP Department

During 2023, the AIP department within the AIM Section produced [10] AIRAC AIP Amendments to the Malta AIP, four (4) AIRAC AIP Supplements and five (5) Aeronautical Information Circulars.

This was the busiest year ever for the AIP department. In fact, we have used ten (10) AIRAC dates out of thirteen (13) AIRAC available in a calendar year.

During the year between AIRAC dates the AIP department supported several activities to MATS-OPS by providing several locally designed Maps in preparation for the Malta International Airshow.

The AIP Department was also involved in the PAMS prototype meetings for the new eEAD software. Another significant contribution was in the Charting working group in which MATS-AIP is actively participating in preparation for the deployment of the new eEAD shadow operations planned to start on the 29th November 2024. The table below, **Figure 1**, shows a graphical representation of the AIP Publications between 2019-2023.

Training of AIM Staff

In 2023, after a long period of time with no participation of AIM Staff at the EUROCONTROL Aviation Learning Centre, two AIM Staff were given the opportunity to

attend the “Introduction to Air Traffic Flow and Capacity Management [ASM-ATFCM]”.

In preparation for this classroom course the two AIM Staff participated in three courses online. These courses are IFPS and Flight Planning E-learning [NMO-FPL-INTRO], ATFCM Basic [NMO- ATFCM-BASIC] and ATFCM Messages [NMO-ATFCM-MSG]. These courses will serve as refresher in the Flight Planning.

It is planned and according to availability by of the Aviation Learning Institute, that more AIM Staff will attend similar courses in the next calendar year (2024). The feedback received from the first two AIM Staff on these courses is very encouraging.

AIM Staff

During 2023, AIM Staff processed a record number of IFR/VFR flight plans compared to 2022. In 2023, the total amount of flight plans filed by the AIM Office staff amounted to 2152, in which 1806 were VFR Flight plans and 346 were IFR Flight plans. Compared to 2022, we had an increase of 359 VFR Flight plans and 13 IFR Flight plans. The total increase for 2023 in VFR Flight plans was of 19.88%, whilst for IFR Flight plans the increase was 3.7%.

Figure 2 shows a graphical representation of flight plans filed between calendar years 2019 and 2023. One can note the increase between 2022 and 2023.

AIP publications 2019–2023

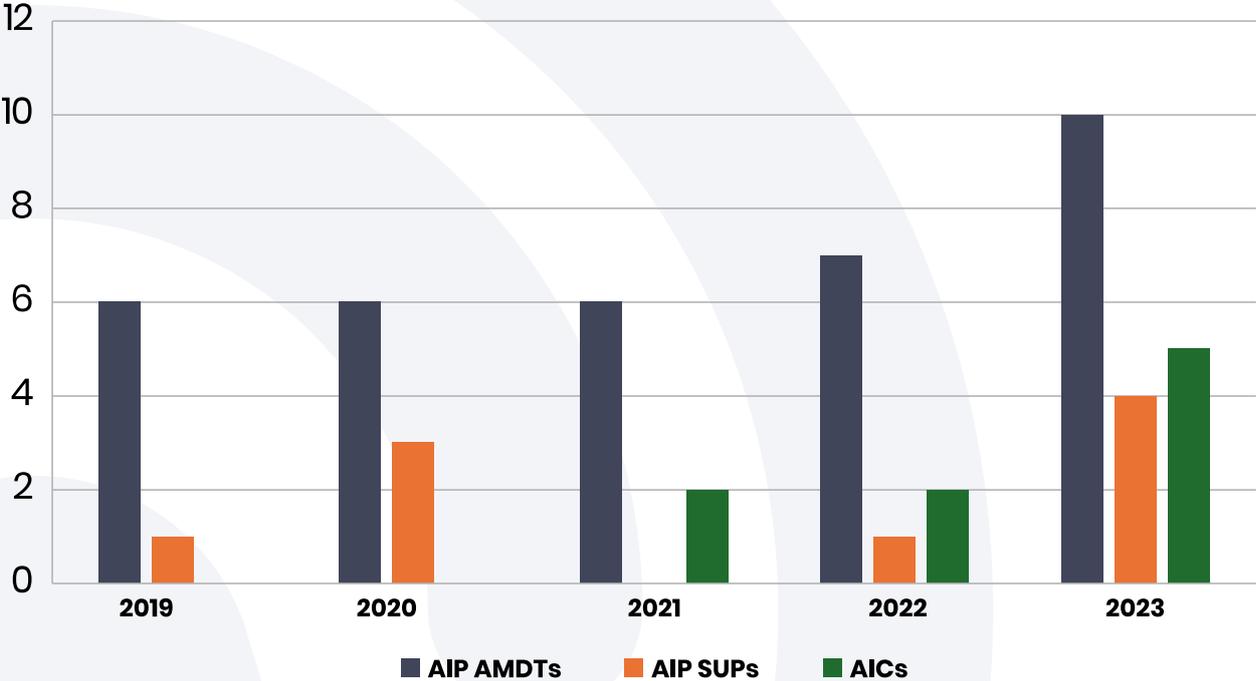


Figure 1

Flight Plans

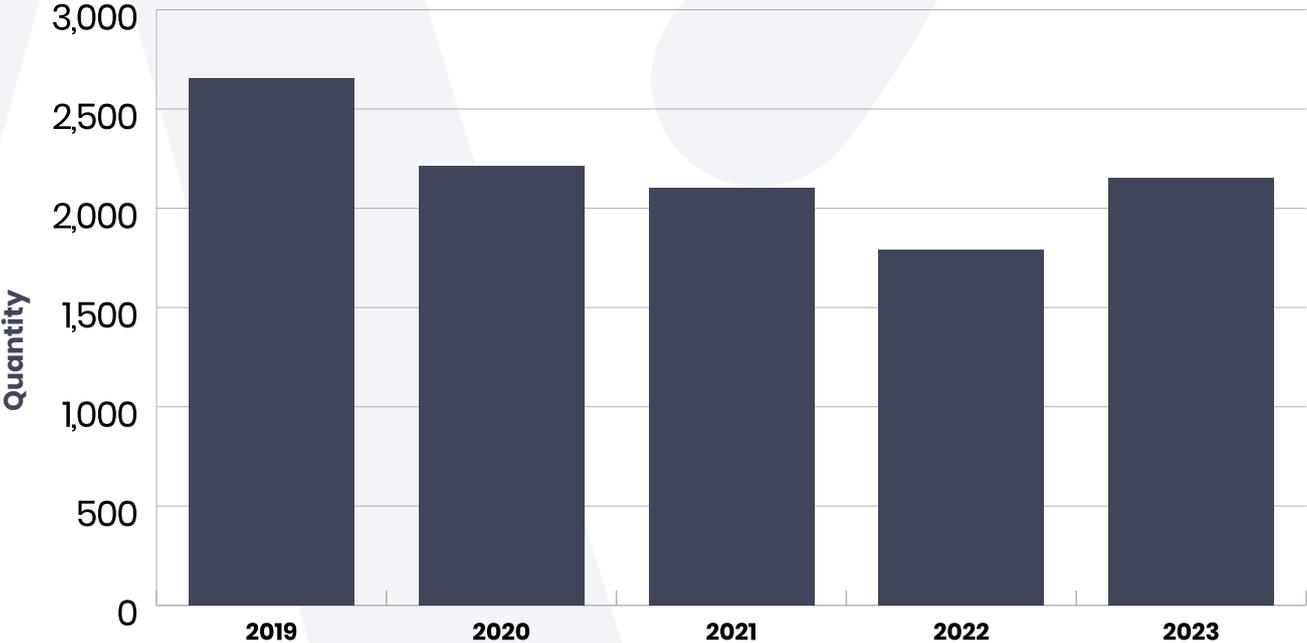


Figure 2: Flight Plans filed by AIM Office staff between 2019 – 2023.

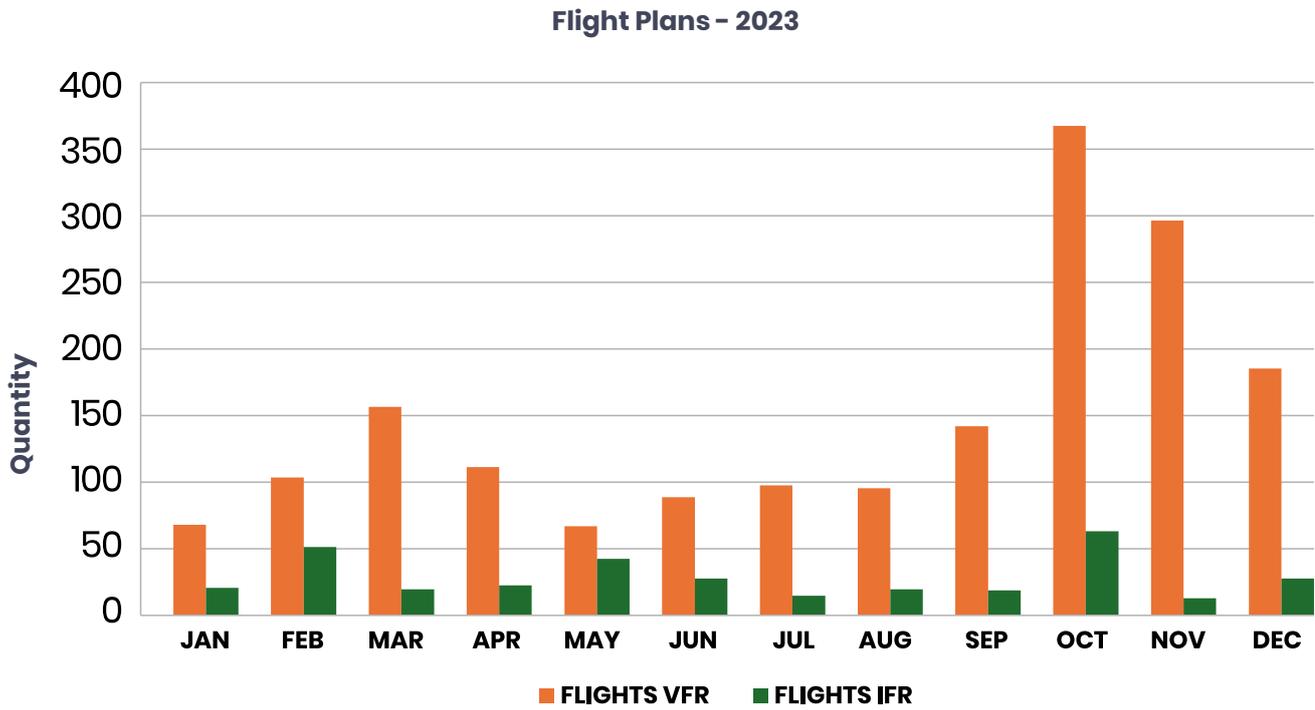


Figure 3: Flight Plans IFR/VFR per month in 2023

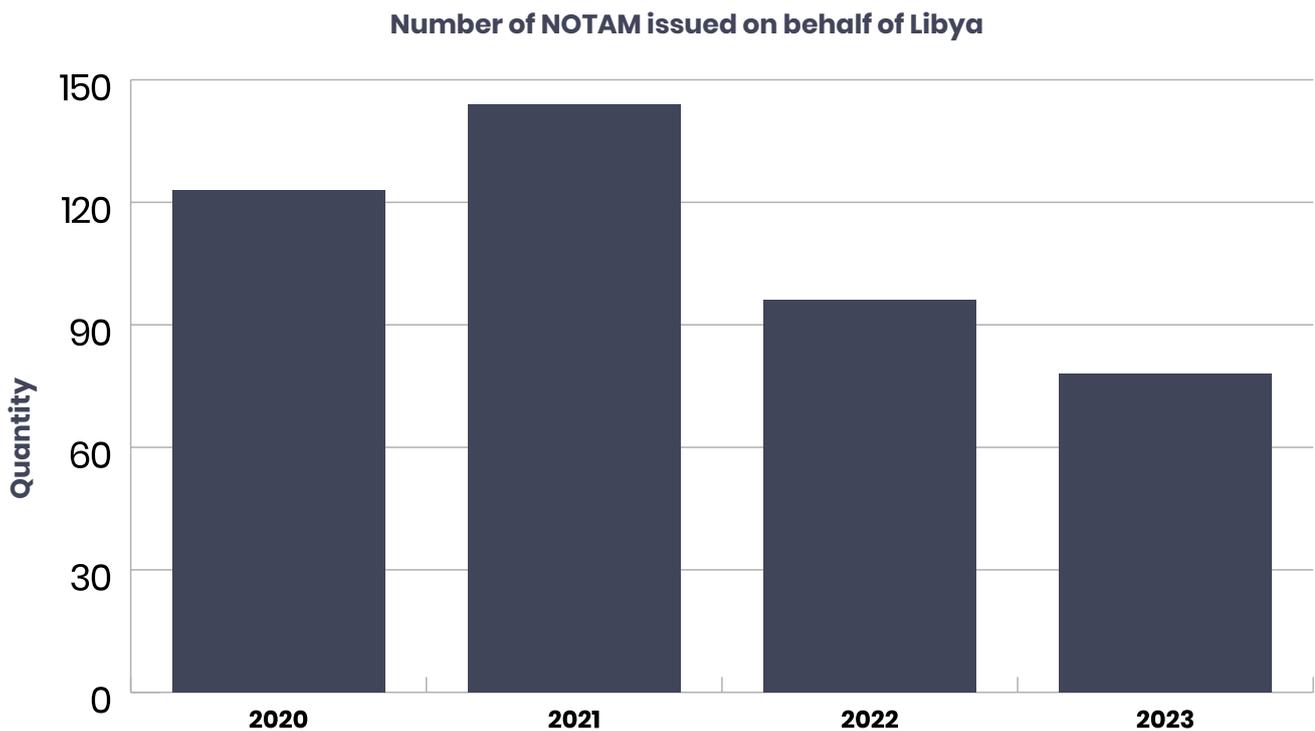


Figure 4: Libyan NOTAMs transmitted by AIM Staff to EAD between calendar years 2020-2023

Yearly Local Notams Issued

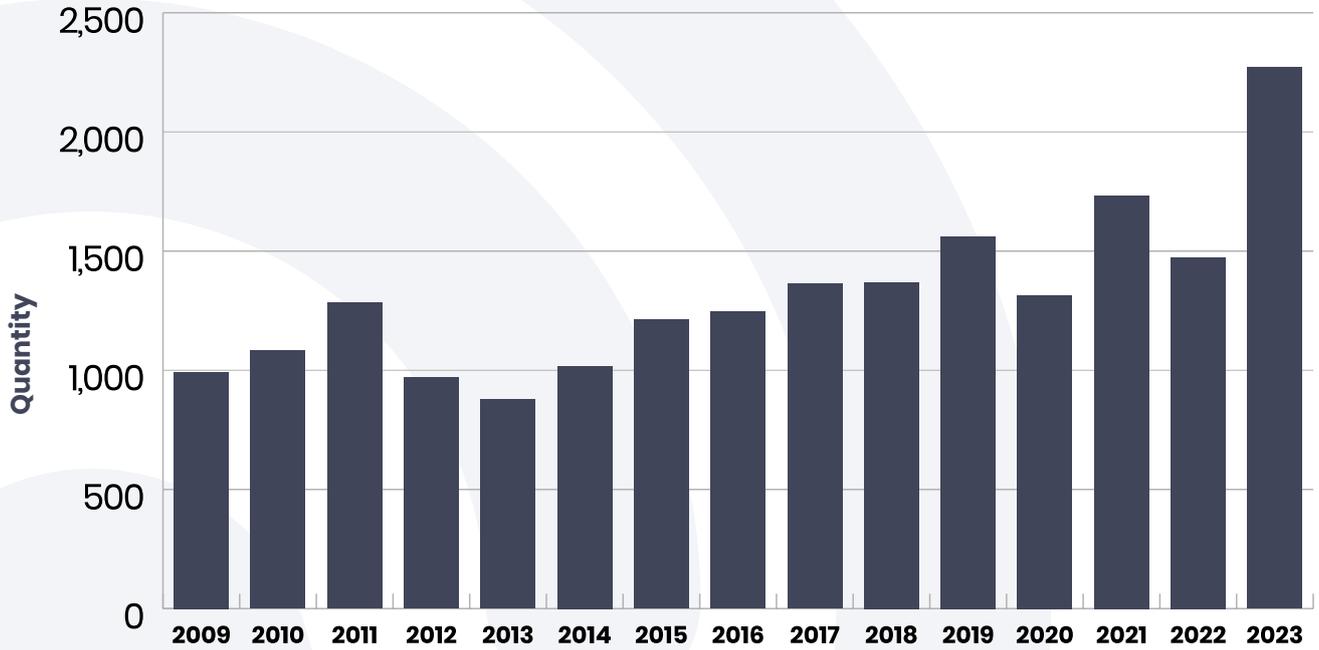


Figure 5: LMML/LMMM NOTAMs issued by AIM Staff between calendar years 2009-2023

Local Notams - 2023

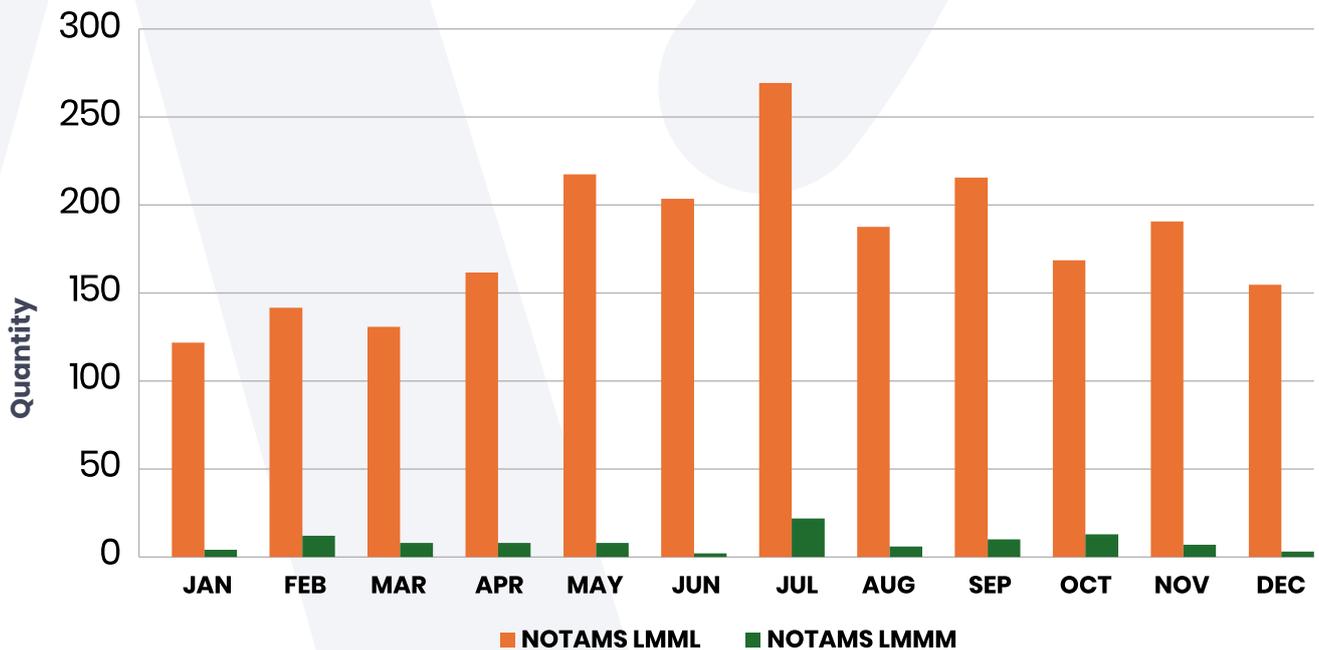


Figure 6: LMML/LMMM NOTAMs issued by AIM Staff during 2023

2023 was also the busiest year ever with the total amount of NOTAMs issued by AIM Staff. In 2023, the total of NOTAMs issued was 2217, of which 2168 were Aerodrome NOTAMs (LMML), and 103 NOTAMs were En-Route NOTAMs.

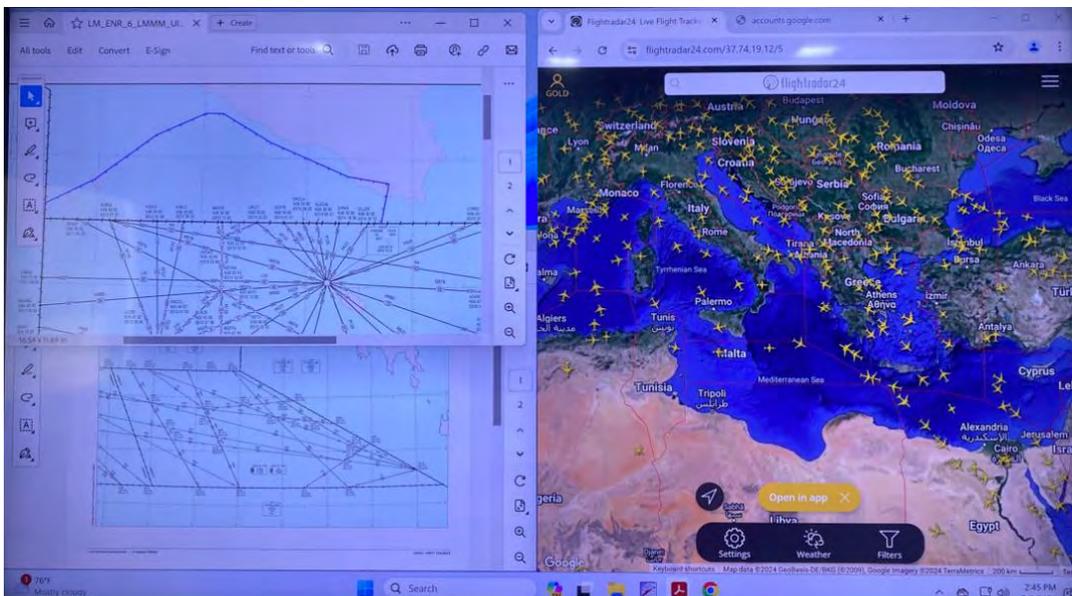
2023 saw an increase of 119 NOTAMs compared to the previous calendar year. This is an increase of 5.3% over the previous calendar year.

AIM Staff also transmitted to the European AIS Data base (EAD) NOTAMs for the Libyan FIR. During the past four years (2020–2023), AIM Staff transmitted to EAD on behalf of Libya AIS 440 NOTAMs.

Modernization and reorganization of the AIM Office

In first quarter of 2023, the AIM Office was refurbished, and the equipment was organized to be more user friendly and convenient to AIM Staff in performing their daily work.

A new 75” monitor was installed to display the Malta Aeronautical Information Publications (AIP), the Jeppesen software and the Flight Radar. This new monitor enables AIM Staff to have the actual maps available for display when a change is affected either in the Aerodrome / En-route maps.



The new 75” monitor was installed to display the Malta Aeronautical Information Publications (AIP).

Training

CLAUDE ABELA

HEAD OF CORPORATE TRAINING &
BUSINESS DEVELOPMENT

“During 2023, MATS radar simulators were used to design a number of unit training packages aimed to be delivered during 2023 and 2024.”



In 2023, we recruited an additional three ATCO trainees, who all successfully passed their Basic ATCO Course and their ADI rating course. The ATCO Trainees are now undergoing their on-the-job training phase and are expected to be validated as ATCO1 by the last quarter of 2024.

Four ATCO trainees who commenced their on-the-job training phase in 2022 have all been successfully validated as ATCO1 in 2023.

5 ATCO completed their APS Rating course and Pre OJT course. All ATCO were successful in their training and are expected to be validated as ATCO 2 by the last quarter of 2024.

ATCO ACS Rating OJT simulations were completed before the commencement of DLS simulations, which finalized the training of five ATCO2 and consequently validating them as ATCO3 in 2023.

OJTI refresher courses and Assessor Refresher Courses for ATCO were delivered by GATE Aviation Academy, and feedback received was very satisfactory.

Commenced CPDLC Training and simulations to all Radar ATCO which was finalized by the end of the first Quarter of 2024.

Continued providing support to the Technical section for all their training facility requirements.

Simulator Developments

During 2023, MATS radar simulators were used to design a number of unit training packages aimed to be delivered during 2023 and 2024. These included an ADI pre-OJT course, an APS pre-OJT and an ACS pre-Validation course.

For the ADI pre-OJT course, the Leonardo Hi-Fi Radar Simulator was used to replicate a 2D Tower simulator, to simulate and execute basic tower exercises used during the ADI pre-OJT course delivered in January 2024. This experimental approach was first utilized in 2022, and given the positive feedback received, it was enhanced and improved during 2023.

For the APS pre-OJT course, 12 different Approach scenarios (amounting to around 10hrs of simulations) with specific objectives and complexity were designed, aimed at familiarizing the trainees with the work practices and the local procedures employed by MATS in the APS control environment. In collaboration with the instructors' workgroup, these exercises were drafted on the UFA Radar simulator and then transferred to the Leonardo Hi-Fi Simulator, where they were assessed, tweaked and



finalized accordingly. This course was delivered to the first group of APS trainees in Feb2024 and will be delivered to the second group of APS trainees during Jan2025. In the case of the ACS pre-Validation course, 20 different Area scenarios (amounting to around 20hrs of simulations) with specific objectives and complexity were designed, based on traffic levels typical to those encountered on the busier days at LMMM FIR, for both the Executive and Planner positions.

As per standard procedure, these exercises were first drafted and analyzed on the UFA Radar simulator and then transferred to the Leonardo Hi-Fi Simulator, where they were assessed again, tweaked and finalized accordingly. This course was successfully delivered to the first group of 3 ACS trainees in Q4'23 and to the second group of 5 ACS trainees in Q1'24. The feedback received from both trainees and their instructors was very positive.

During 2023, a number of activities were also conducted in relation to the introduction of CPDLC, which was implemented in APR24. An independent working environment was created on the Leonardo simulator to allow parallel simulations on both the original environment and the new AGDL environment. The initial activities were mainly targeted to debug the new software and fix any bugs that were identified. Once the system was deemed stable, the next step was the design and development of

the conversion training for the ATCOs. The necessary exercises were designed in Q4'23 in collaboration with OPS Management and were delivered in Q1'24. Following the successful implementation of CPDLC in the operational environment, all the exercises previously designed on the Hi-Fi simulator were converted to be complaint with CPDLC.

In 2023, the Training Organisation has also started the process of procuring a Tower Simulator. A market research was conducted to investigate and assess the main European ATC simulator suppliers. A visit to our premises by the main 2 suppliers was organized, during which MATS TO requirements were presented to the suppliers. Following this, the suppliers presented ROM quotations, area footprints and necessary technical requirements in preparation of the upcoming procurement process.

Human Resources & Occupational Health and Safety

VINCENT MUSCAT
HEAD OF HUMAN RESOURCES



Objective

The Human Resources section has always served as the backbone of the Company for attracting and retaining human talent, and to give its full support for the professional development of the Company's current human resources. The HR section also incorporates the OHS, which is led by an Executive officer, responsible for ensuring a safe and healthy work environment that fosters employee well-being. By providing comprehensive training programs, competitive benefits, and opportunities for growth, the HR team strives to create a positive and inclusive work culture that aligns with the Company's vision and values.

The two main approaches adopted are recruitment and secondly by investing in our current resources through training and promotions. These initiatives enable us to foster a culture of continuous learning, innovation, and growth, thereby empowering our employees to excel in their roles and contribute to the Company's success.

Recruitment Promotions

Manager-Head of Human Resources

In the month of September 2023, a new Head of Human Resources was recruited to lead the HR Section at MATS. This strategic

appointment aimed to strengthen the organization's HR function and drive talent acquisition and development initiatives.

Recruitment process continued throughout the whole of 2023. Vacancies were issued for:

- Head of Technical Services
- ATSEO Trainees

These recruitment efforts were designed to enhance the organization's operational capabilities and inject fresh talent into the team. The selection process was conducted in a transparent and merit-based manner, ensuring that the best candidates were appointed to fill these critical roles.

Through the year 2023, a number of appointments were announced after an external vacancy notice was issued. The following is the complete list:

- ATSEO 3
- ATSEO 2
- Specialist 3 (ICT)
- Specialist 3 (HR)

Calls issued in 2023 as part of the ATM/ASN-SES regulatory requirements:

In 2022 the Company promoted/appointed the following after the necessary 'calls' were issued:

- Specialist (SESAR)
- ATASO 3 (HR)
- ATASO 3 (ADMIN)
- ATASO 3 (Procurement)
- SOC Associate Analyst
- ATSEO Trainees
- ATASO2 (SQSC)

Sick leave

MATS outsourced the services to Mediatrix Occupational Services. We appreciate the expertise and reliability provided by Mediatrix and look forward to continuing our collaboration.

HR deals with sick leave and injuries on duty that might occur by making sure that necessary documentation is provided for National Insurance benefits and Private insurance requirements. This includes facilitating the claims process, ensuring timely submission of paperwork, and keeping accurate records of absences and medical certifications.

Modern Work Practices

During the last quarter of 2023, the newly appointed Head of HR was briefed on the Government Modern Work Practices in line with the newly introduced Government Policies so to streamline MATS HR Policies and ensure a more agile, inclusive, and efficient workforce. This initiative aimed to enhance employee experience, promote flexibility, and foster a culture of innovation, ultimately driving business growth and excellence.

Collective Agreements

During 2023, the negotiations for the Collective Agreement with MATCA that regulates the terms and conditions of the Air Traffic Controllers was concluded and signed. Other negotiations are in course with the Unions representing the Technical, AIM, Administration departments and the Management at MATS. These ongoing discussions aim to establish fair and competitive compensation packages, improve working conditions, and enhance the overall well-being of our employees, ultimately contributing to the continued growth and success of our organization.

Occupational Health and Safety

The Occupational Health and Safety section is led by the Executive HR.

“The Human Resources Section has always served as the backbone of the Company for attracting & retaining human talent.”

Occupational health and safety (OHS) is regulated by the Occupational Health and Safety Authority Act (Chapter 424 of the Laws of Malta) and through subsidiary legislation.

Health & Safety Procedures at Malta Air Traffic Services (MATS) are listed in the Occupational H&S Policy (OHS/POL01-13 Version 5).

As with other Company policies, measures take account of the need for training, information, consultation, and balanced participation of workers as regards the risks incurred and the steps taken to eliminate or reduce them.

In consideration of ATM/ANS.OR.B025 – Facilities Requirements, the following points highlight the Occupational Health and Safety performance at MATS during the twelve-month period 1st January to 31st December 2023. As with previous reports it is split into several actions highlighting the key topics.

Fire prevention and control

- **Fire Alarm Systems** – Routine services for the Fire Alarm systems and fire extinguishers were held in 2023 and are planned for 2024 to include MATS ATCC and Annexes, Administration, Benghajsa Datalink building, Terminal Approach Radar (TAR), Hal Far Radar, Dingli Radar

and Receiver sites, Fawwara Radar, Gozo VOR sites, and the COMCEN building in Luqa.

- **Fire Drills** – Two Fire Drills were performed during 2023, one in January and the second in August. The first Drill was successful as the employees present in the Tower and Administration gathered near the assembly point in less than three minutes.

The second drill was organized together with the SQSC section and the MIA RFFS participation and the Civil Protection Department which observed the full process. Such practices will be repeated in 2024, seeking amelioration.

- **Fire Safety Audit** – A Fire Safety Audit was carried out in 2023. The first stage of the audit on the facilities included a gap analysis of the site vis-à-vis the minimum requirements according to the fire safety guidelines BS 9999:2017: “Fire Safety in the design, management, and use of buildings. Code of Practice” and the Design Guidelines on Fire Safety for Buildings in Malta.

The engineers worked with the H&S Officer over a period of five months to gather information for the report which was presented in June 2023. Meetings are ongoing to plan how to act and implement several of the recommendations highlighted in this report.

First Aid practices

- **First Aid Course and Kits** – The First Aid Course was performed in September 2023 at the MATS training room by St Bernard's Institute leading for a certification of three years for twenty MATS' employees as per legislation (LN 348 of 2011).

First Aid kits are installed in all MATS sites and are maintained regularly and supplied with all the necessary items.

- **Fire Safety Warden Course** – During April and May, MATS organized a Fire Warden course with SOTERIA in accordance with Legal notice 44 of 2002, article 9. A Certificate of competency valid for 3years was awarded to all participants.

Richmond Foundation

The Company is committed to support the Richmond Foundation, the NGO that specializes in promoting mental health and wellbeing within the community. Richmond Foundation continued to implement the Staff and Organization Support Program (SOSP) for all MATS employees. The objective of this program is to help MATS strengthen the wellbeing of its employees as well as to assist it in controlling the risk posed by the hazard of stress.

Through this partnership, we aim to foster a healthy work environment that encourages open communication, reduces stigma around mental health, and provides our employees with the necessary tools to manage stress and achieve a better work-life balance.

Fund Raising for Charity

The Pink October/Movember fund raising campaign was held on the 24th and the 25th October 2023 . A total of 277 cupcakes were sold and the total sum collected was of €451.96. All proceeds went to Hospice Malta, an NGO providing free of charge patient-centred palliative care for persons with cancer, motor neuron disease, end of life respiratory, cardiac, renal and liver disease.

As in previous years, MATS's employees and the company contributed €5000 to the L-Istrina campaign organised yearly by the Malta Community Chest Fund. This annual donation is a testament to our commitment to giving back to the community and supporting those in need. The L-Istrina campaign is a vital initiative that provides invaluable assistance to various charitable organisations and individuals, and we are proud to be a part of it.



Pink October Movember campaign.

Financial Statements



Directors, Officers and Other Information	38
Directors' Report	39
Independent Auditors' Report	41
Statement of Financial Position	44
Statement of Comprehensive Income	46
Statement of Changes in Equity	47
Statement of Cash Flows	48
Notes to the Financial Statements	49
Supplementary Statements 2023	83

Directors, Officers and Other Information



Back row (left to right): **Mrs Stephanie Mifsud** Director, **Mr Raymond Lanzon** Director, **Prof. Ernest Cachia** Director
Seated: **Mr George Bork Marks** Chairman

Not in photo: **Mr Ian Borg** Director, **Mr Ronald Vassallo** Director



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

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2023.

Principal activities

The Company is principally engaged in the provision of air navigation services within the Malta Flight Information Region.

Review of the business

During the year ended 31 December 2023, the company generated total revenue of €32,361,296 (an increase of €3,903,751 or 13.7% over the revenue of €28,457,545 generated during 2022). The resulting net profit for the year amounted to €5,677,503 (2022: €4,068,659).

During 2023, the Company generated 968,128 en-route service units from the provision of air traffic services. This represents a 45% increase over the service units generated during the previous year but is still 5% lower than the total service units generated during 2019 before the outcome of COVID-19.

As for departures from Malta, during 2023 MATS provided services to 31,104 departures (an increase of 5,583 or 22% over the 25,521 departures registered in 2022). Traffic from Malta completely recovered from the COVID-19 crises since the 2023 departures exceeded the 30,095 departures registered during 2019.

Results and dividends

The statement of comprehensive income is set out on page 9. The directors did not propose and pay any dividends during 2023 and 2022, and they resolved that the result of the financial year €5,677,503 shall be carried over in retained earnings.

Events after balance sheet date

No significant events have occurred after the balance sheet date which require mention in this report.

Future Developments

The directors are envisaging traffic to continue to increase moderately for the foreseeable future and are not foreseeing any changes in operating activities for the forthcoming year. In addition, the national unit rate will be subject to a downward pressure which will affect the profitability.

Directors

The directors of the Company who held office until the date of this directors' report were:

George Borg Marks

Ernest Cachia

Ray Lanzon (resigned on 23rd June 2022; re-appointed 1st January 2023)

Ian Borg

Stephanie Mifsud

Ronald Vassallo

In accordance with the company's Articles of Association, the present directors are to remain in office.

Directors' Report continued

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) 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;
- 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 Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial risk management

The company is exposed to a variety of risks and hence operates a risk management strategy with the objective of controlling and minimising the impact on the financial performance and position. A detailed review of the risk management policies adopted by the Company with the exposures to credit risk, foreign exchange risk, interest rate risk, liquidity risk and capital risk management are included in note 5 to the financial statements.

Auditors

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

On behalf of the board



George Borg Marks
Chairman



Ernest Cachia
Director

Registered office
Malta International Airport
Luqa LQA 5000
Malta

Date
31 July 2025



Independent auditors' report
To the Shareholders of Malta Air Traffic Services Limited

Report on the Audit of the Financial Statements

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 2023, 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 Maltese Companies Act (Cap. 386).

What we have audited

Malta Air Traffic Services Limited's financial statements, set out on pages 7 to 40 comprise:

- the statement of financial position as at 31 December 2023;
- 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;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

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

We 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 (Cap. 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 Directors' report on pages 1 and 2 and the schedules for revenue and expenses on pages 41 to 44 (but does not include the financial statements and our auditors' report thereon).

Report on the Audit of the Financial Statements *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.

We also consider whether the Director's Report includes the disclosures required by Article 177 of the Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- The information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Director's Report has been prepared in accordance with the Companies Act (Cap. 386).

If, based on the work we have performed and in light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, we conclude that there is a material misstatement in the Director's Report, we are required to report that fact. We have nothing to report in this regard.

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 IFRS, 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 has 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on the Audit of the Financial Statements continued

- 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 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.

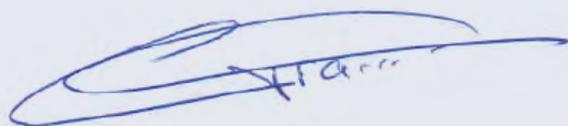
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters on which we are required to report by exception

We also have responsibilities under the Maltese Companies Act, (Cap.386) 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 ourselves.
- 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 the 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
Registered Auditor

Agora Business Centre, Level 2,
Valley Road,
Msida, MSD 9020,
Malta.

31 July 2025

Statement of Financial Position

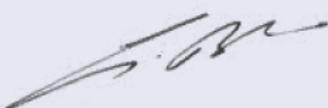
		As at 31 December	As at 1 January	
		2023	2022	2022
			(restated)	(restated)
	Notes	€	€	€
ASSETS				
Non-current assets				
Property, plant and equipment	8	9,248,725	9,350,929	9,900,818
Right-of-use asset	9	30,422,548	31,121,917	31,821,286
Term deposits	13	12,000,000	12,000,000	18,500,000
Total non-current assets		51,671,273	52,472,846	60,222,104
Current assets				
Financial assets at fair value through profit or loss	10	10,178,889	4,030,753	5,039,266
Trade and other receivables	11	6,855,599	4,973,317	3,820,411
Cash and cash equivalents	12	15,938,855	11,200,777	1,700,149
Term deposits	13	6,500,000	10,268,798	6,500,000
Total current assets		39,473,343	30,473,645	17,059,826
Total assets		91,144,616	82,946,491	77,281,930

Statement of Financial Position continued

	Notes	As at 31 December	As at 1 January	
		2023	2022	2022
		€	(restated) €	(restated) €
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	14	10,000,000	10,000,000	10,000,000
Retained earnings		22,251,300	16,573,797	12,505,138
Total equity		32,251,300	26,573,797	22,505,138
Non-current liabilities				
Provision for retirement benefits	15	3,101,098	2,740,516	2,371,962
Other financial liabilities	16	4,764,334	4,298,460	3,832,585
Lease liability	9	38,235,232	38,486,104	38,724,655
Total non-current liabilities		46,100,664	45,525,080	44,929,202
Current liabilities				
Lease liability	9	2,329,300	2,329,300	2,329,300
Trade and other payables	17	8,306,011	7,478,393	5,757,222
Borrowings	18	-	-	692,839
Bank overdraft	19	12,950	11,303	9,735
Current tax liability		2,144,391	1,028,618	1,058,494
Total current liabilities		12,792,652	10,847,614	9,847,590
Total liabilities		58,893,316	56,372,694	54,776,792
Total equity and liabilities		91,144,616	82,946,491	77,281,930

The notes on pages 12 to 40 are an integral part of these financial statements.

The financial statements on pages 49 to 82 were authorised for issue by the board on 31 July 2025 and were signed on its behalf by:



George Borg Marks
Director



Ernest Cachia
Director

Statement of Comprehensive Income

Year ended 31 December	Notes	2023	2022
		€	€
Turnover	20	32,361,296	28,457,545
Staff costs	22	(13,048,853)	(12,678,771)
Depreciation expense	8, 9	(1,913,222)	(1,941,923)
Other operating expenses	21	(9,590,603)	(7,843,475)
Operating profit		7,808,618	5,993,376
Finance costs	23	(2,079,026)	(2,095,121)
Other income	24	1,337,557	1,753,138
Other expenses	24	(214,052)	(508,325)
Profit before tax		6,853,097	5,143,068
Tax expense	25	(1,175,594)	(1,074,409)
Profit for the year		5,677,503	4,068,659

The notes on pages 49 to 82 are an integral part of these financial statements.

Statement of Changes in Equity

	Share Capital €	Retained Earning €	Total €
Balance at 1 January 2020	10,000,000	23,396,998	33,396,998
Comprehensive income			
Loss for the year - Total comprehensive loss	-	(7,197,179)	(7,197,179)
Balance at 31 December 2020	10,000,000	16,199,819	26,199,819
Balance at 1 January 2020	10,000,000	16,199,819	26,199,819
Comprehensive loss			
Loss for the year - Total comprehensive loss	-	(4,324,400)	(4,324,400)
Balance at 31 December 2021	10,000,000	11,875,419	21,875,419

The notes on pages 49 to 82 are an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December		2023	2022
	Notes	€	€
Cash flows from operating activities			
Cash generated from operations	27	9,374,337	10,117,943
Interest expense		598	(519)
Income taxes		(59,821)	(1,104,285)
Net cash generated from operating activities		9,315,114	9,013,139
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,111,648)	(697,856)
Disposal of property, plant and equipment		-	35,700
Subscriptions of financial assets at fair value through profit or loss		(8,285,059)	(4,686,223)
Redemption of financial assets at fair value through profit or loss		2,524,318	5,382,434
Realised exchange differences		5,710	(12,686)
Interest income received		254,486	230,960
Movement in term deposits – net		3,897,534	2,786,739
Net cash generated from/(used in) investing activities		(3,989,702)	5,125,395
Cash flows from financing activities			
Repayment of borrowings		1,048	(688,154)
Repayment of lease obligations		(2,329,300)	(2,329,300)
Amounts due from shareholders		465,875	465,875
Net cash used in financing activities		(1,862,377)	(2,551,579)
Net increase in cash and cash equivalents		4,738,078	9,500,628
Cash and cash equivalents at beginning of year	12	11,200,777	1,700,149
Cash and cash equivalents at end of year	12	15,938,855	11,200,777

The notes on pages 49 to 82 are an integral part of these financial statements.

Notes to the Financial Statements

1. Principal activities of the Company

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

2. 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 Maltese Companies Act, Cap. 386. They have been prepared under the historical cost convention, as modified by the fair valuation of the financial assets at fair value through profit or loss.

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 judgement in the process of applying the company's accounting policies (see Note 6 - Critical accounting estimates and judgements).

These financial statements are presented in Euro (€) which is the Company's functional currency. 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.

3. Going concern

The Company incurred a profit for the year of €5,677,503 (2022: €4,068,659). At 31 December 2023 the Company reported retained earnings amounting to €22,251,300 (2022 Restated: €16,573,797) and its current assets exceeded current liabilities by €26,680,691 (2022 Restated: €19,626,031).

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in existence in the foreseeable future. The validity of this assumption is further supported by the Company's ability to generate sufficient cash flows to meet its projected obligations and expenses as they arise. Additionally, the directors have assessed factors such as revenue stability, cost management strategies, and access to external funding, all of which contribute to the Company's capacity to sustain its financial commitments.

4. 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.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.1 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. All other property, plant and equipment is 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.

Notes to the financial statements - continued

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 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.

Depreciation 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:

	%
Buildings	1.5
Radar equipment	12.5
Plant and machinery	20
Motor vehicles	20
Furniture and fixtures	10
Computer software	33.33
Computer hardware	25
Equipment	12.5

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 4.2).

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.1 Property, plant and equipment continued

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.

4.2 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 recoverable amount is recognised as an impairment loss in profit or loss.

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.

4.3 Financial assets

4.3.1 Classification

The company classifies its financial assets, in the following categories: at fair value through profit or loss, loans and receivables and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.3 Financial assets continued

4.3.1 Classification continued

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, i.e. financial assets acquired principally for the purpose of selling in the short-term. A financial asset is also classified in this category if, on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position (note 4.4 and 4.5).

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. If the company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than twelve months from the end of the reporting period, which are classified as current assets.

4.3.2 Recognition and measurement

The company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the company. Any change in fair value for the asset to be received is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.3 Financial assets continued

4.3.2 Recognition and measurement continued

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables (and held-to-maturity financial assets) are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

4.3.3 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.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.3 Financial assets continued

4.3.3 Impairment continued

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;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

(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.

4.4 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.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.4 Trade and other receivables

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 1.6.3). 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.

4.5 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 separately in current liabilities in the statement of financial position.

4.6 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.

4.7 Financial liabilities

The company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

4.8 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.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.9 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

4.10 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.

4.11 Provisions

A provision is a liability of uncertain timing or amount. A provision is recognised when, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that the Company will be required to transfer economic benefits in settlement. Provisions are recognised as a liability in the balance sheet and as an expense in profit or loss unless it is included in the cost of property, plant and equipment or as part of the cost of underlying assets.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with sufficient reliability.

4.12 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.

Notes to the Financial Statements continued

4. Summary of significant accounting policies continued

4.12 Current and deferred tax continued

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.

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.

4.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Sales are recognised upon performance of services, net of sales tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and during the period the services are provided.

The major sources of revenue arise from the following air traffic control services:

(a) En-route traffic

The Company provides air traffic control (ATC) and other services to aircrafts flying through their Flight Information Region (FIR). Revenue is recognized over time as the service is provided, that is, as the aircraft passes through the FIR.

(b) Terminal traffic

The Company provides ATC, ground control, and related services to aircraft within the terminal area, when aircraft safely land, taxi, and take off. Revenue is recognized at a point in time, typically when the service is provided, that is, when the aircraft lands, when the aircraft departs and depending on the time spent within the terminal airspace.

(c) Exempt traffic

The Company is compensated by Malta Government Investment Limited (MGI) at a fixed fee for the loss of revenue relating to an exemption of military aircraft from paying air navigation services. The fixed fee as agreed in the contract represents the transaction price.

Notes to the Financial Statements continued**4. Summary of significant accounting policies** continued**4.14 Leases**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

4.15 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.

4.16 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.

Notes to the Financial Statements continued

4. **Summary of significant accounting policies** continued

4.17 **Foreign currencies**

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and monetary liabilities denominated in foreign currencies at balance sheet date are translated at year end closing rates of exchange. Any exchange differences arising on the settlement of monetary assets and monetary liabilities, or on translating foreign denominated monetary assets and liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

5. **Financial risk management**

The exposures to risk and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which the Company manages and measures these risks are disclosed below.

Where possible, the Company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

The most significant financial risks to which the Company is exposed to are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Financial assets which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, trade and other receivables, contractual cash flows of debt instruments carried at amortised cost and at fair value through profit or loss (FVTPL).

The Company's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position date. None of the Company's financial assets are secured by collateral or other credit enhancements.

Notes to the Financial Statements continued

5. Financial risk management continued

(a) Credit risk continued

Cash and cash equivalents consist of cash at hand and cash held at reputable financial institutions. The credit risk for cash and cash equivalents is considered to be negligible, since the counterparties are reputable institutions with high quality external credit ratings.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit losses.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognising Expected Credit Losses (ECL)
Performing	A low risk of default and no past due amounts.	12-month ECL
Doubtful	Amount is greater than 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is greater than 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the ECL on these terms by using an estimate based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Notes to the Financial Statements continued5. Financial risk management continued**(a) Credit risk** continued

The maximum exposure to credit risk as at 31 December 2023 and 31 December 2022 is the carrying amount of the financial assets as set out below:

	2023	2022
	€	€
Trade receivables	7,394,697	5,403,550
Other receivables	3,566	64,696
Financial assets at fair value through profit or loss	10,178,889	4,030,753
Cash and cash equivalents	15,938,855	11,200,777
Term deposits	18,500,000	22,268,798
Total exposure to credit risk	52,016,007	42,968,574

Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired assets. As at 31 December 2023, the Company had total credit loss allowances of €2,975,787 (2022: €2,692,628).

(b) Foreign exchange risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company is exposed to British Pound (GBP) and US Dollars (USD).

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

Notes to the Financial Statements continued

5. Financial risk management continued

(b) Foreign exchange risk continued

The carrying amount of the financial assets through profit or loss, term deposits, and cash and cash equivalents denominated in foreign currencies as at the end of the reporting periods were as follows:

	2023	2022
	€	€
Financial assets through profit or loss		
GBP	26,726	17,773
USD	943,053	132,245
	969,779	150,018
Term deposits		
USD	-	768,798
Cash and cash equivalents		
GBP	1,821	12,577
USD	10,137	24,485
	11,958	37,062

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary since the exposure is not deemed to be significant.

Notes to the Financial Statements continued5. Financial risk management continued**(c) Interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting periods consists of both fixed and floating interest rates.

	2023 €	2022 €
Financial assets		
Term deposits subject to fixed rates	18,500,000	22,268,798
	18,500,000	22,268,798
Financial liabilities		
Bank overdraft subject to floating rates	12,950	11,303
Lease liability subject to fixed rates	40,564,532	40,815,404
	40,577,482	40,826,707

Fixed interest instruments comprise of term deposits held at bank (Note 10) and a lease liability from the Government of Malta (Note 12), which are measured at amortised cost and accordingly the company is not exposed to fair value interest rate risk.

Floating interest instruments comprise of bank overdrafts (Note 19) which are held at floating rates tied to the respective banker's base rate. Management monitors the impact of changes in market interest rates on amounts reported in profit or loss in respect of these instruments taking into consideration refinancing, renewal of existing positions, and alternative financing. Based on this analysis, management considers the potential impact on profit or loss of a floating interest rate shift that is reasonably possible at the end of the reporting period to be immaterial. The company's interest-bearing instruments are short-term in nature and accordingly the level of interest rate risk is contained. The company's operating cash flows are substantially independent of changes in market interest rates.

A sensitivity analysis for interest risk disclosing how profit or loss would have been affected by changes in interest rates that were reasonably possible at the end of the reporting period is not deemed necessary since the exposure is not deemed to be significant.

Notes to the Financial Statements continued

5. Financial risk management continued

(d) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise lease liabilities, trade and other payables, and bank overdrafts (refer to notes 9, 17 and 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligation.

The Company monitors and manages its risk to a shortage of funds by:

1. Monitoring forecast and actual cash flows;
2. Matching the maturity of both its financial assets and financial liabilities; and
3. Maintaining adequate reserves and banking facilities.

The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the Company can be required to pay. The analysis includes both interest and principal cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Between 1-5 Years	Over 5 Years
	€	€	€	€	€
At 31 December 2023					
Lease liabilities	40,564,532	101,324,550	2,329,300	11,646,500	87,348,750
Trade and other payables	8,306,011	8,306,011	8,306,011	-	-
Bank overdraft	12,950	12,950	12,950	-	-
Total	48,883,493	109,643,511	10,648,261	11,646,500	87,348,750
At 31 December 2022					
Lease liabilities	40,815,404	103,653,850	2,329,300	11,646,500	89,678,050
Trade and other payables	7,478,393	7,478,393	7,478,393	-	-
Bank overdraft	11,303	11,303	11,303	-	-
Total	48,305,100	111,143,546	9,818,996	11,646,500	89,678,050

Notes to the Financial Statements continued

5. **Financial risk management** continued

(e) Capital risk management

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

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Company consists of items presented within equity in the statement of financial position and disclosed in note 14. The Company's Directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the Directors, the Company balances its overall capital structure through the selling of assets and payments of dividends.

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

(f) Fair value estimation

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Financial Statements continued

5. Financial risk management continued

(f) Fair value estimation continued

The following table provides an analysis of financial instruments measured at fair value, grouped into Levels 1 and 2.

	Level 1 €	Level 2 €	Total €
At 31 December 2023			
With-Profits Fund	-	1,641,966	1,641,966
Debt securities	4,816,368	-	4,816,368
Equity instruments	3,617,997	-	3,617,997
Collective Investment Schemes	102,558	-	102,558
Total	8,536,923	1,641,966	10,178,889
At 31 December 2022			
With-Profits Fund	-	1,601,918	1,601,918
Debt securities	2,169,658	-	2,169,658
Equity instruments	135,740	-	135,740
Collective Investment Schemes	123,437	-	123,437
Total	2,428,835	1,601,918	4,030,753

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques make use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Company's instruments included in level 2 comprise of over-the-counter derivatives with external parties.

6. Critical accounting estimates and judgements

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 judgements 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***7. Changes in accounting policies****7.1 New and amended IFRS Standards that are effective for the current year**

In the current year, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023) (effective for financial years beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021) (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for financial years beginning on or after 1 January 2023)
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) (effective for financial years beginning on or after 1 January 2023)

7.2 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 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020), Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date (issued on 15 July 2020), and Non-current Liabilities with Covenants (issued on 31 October 2022) (effective for financial years beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for financial years beginning on or after 1 January 2024)

Notes to the Financial Statements continued

7. Changes in accounting policies continued

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

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.

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

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

8. Property, plant and equipment

	Assets under construction €	Plant & machinery €	Furniture fixtures & other equipment €	Motor vehicles €	Technical equipment €	Buildings €	Radar equipment €	Total €
At 1 January 2022								
Cost	3,170,899	92,560	1,899,095	330,125	16,811,115	4,911,969	20,157,030	47,372,793
Accumulated depreciation	-	(92,560)	(1,665,966)	(325,205)	(14,320,678)	(3,375,686)	(17,691,880)	(37,471,975)
Net book amount	3,170,899	-	233,129	4,920	2,490,437	1,536,283	2,465,150	9,900,818
Year ended 31 December 2022								
Opening net book amount	3,170,899	-	233,129	4,920	2,490,437	1,536,283	2,465,150	9,900,818
Additions	-	-	113,360	-	295,272	235,013	54,210	697,855
Disposals	-	-	-	(35,700)	-	-	-	(35,700)
Depreciation charge	-	-	(115,524)	(2,459)	(664,039)	(32,224)	(433,498)	(1,247,744)
Depreciation released on disposal	-	-	-	35,700	-	-	-	35,700
Closing net book amount	3,170,899	-	230,965	2,461	2,121,670	1,739,072	2,085,862	9,350,929
At 31 December 2022								
Cost	3,170,899	92,560	2,012,455	294,425	17,106,387	5,146,982	20,211,240	48,034,948
Accumulated depreciation	-	(92,560)	(1,781,490)	(291,964)	(14,984,717)	(3,407,910)	(18,125,378)	(38,684,019)
Net book amount	3,170,899	-	230,965	2,461	2,121,670	1,739,072	2,085,862	9,350,929

Notes to the Financial Statements continued

8. Property, plant and equipment continued

	Assets under construction €	Plant & machinery €	Furniture fixtures & other equipment €	Motor vehicles €	Technical equipment €	Buildings €	Radar equipment €	Total €
At 1 January 2023								
Cost	3,170,899	92,560	2,012,455	294,425	17,106,387	5,146,982	20,211,240	48,034,948
Accumulated depreciation	-	(92,560)	(1,781,490)	(291,964)	(14,984,717)	(3,407,910)	(18,125,378)	(38,684,019)
Net book amount	3,170,899	-	230,965	2,461	2,121,670	1,739,072	2,085,862	9,350,929
Year ended 31 December 2023								
Opening net book amount	3,170,899	-	230,965	2,461	2,121,670	1,739,072	2,085,862	9,350,929
Additions	-	-	74,033	142,373	525,957	72,707	296,578	1,111,648
Disposals	-	-	-	(35,700)	-	-	-	(35,700)
Depreciation charge	-	-	(99,051)	(30,936)	(593,574)	(33,314)	(456,977)	(1,213,852)
Depreciation released on disposal	-	-	-	-	-	-	-	-
Closing net book amount	3,170,899	-	205,947	113,898	2,054,053	1,778,465	1,925,463	9,248,725
At 31 December 2023								
Cost	3,170,899	92,560	2,086,488	436,798	17,632,344	5,219,689	20,507,818	49,146,596
Accumulated depreciation	-	(92,560)	(1,880,541)	(322,900)	(15,578,291)	(3,441,224)	(18,582,355)	(39,897,871)
Net book amount	3,170,899	-	205,947	113,898	2,054,053	1,778,465	1,925,463	9,248,725

9. Right-of-use asset and lease liabilities

The Company leases the land in which it operates. The lease contract is made for a fixed period of 62.5 years. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the lessee's incremental borrowing rate, which represents the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Company, where possible, uses recent Government financing received as a starting point, adjusted to reflect changes in financing conditions since related-party financing was received.

Notes to the Financial Statements continued

9. Right-of-use asset and lease liabilities continued

	Land €
As at 1 January 2023	
Cost	33,919,393
Accumulated depreciation	(2,797,476)
Net book amount	31,121,917
Year ended 31 December 2023	
Opening net book amount	31,121,917
Depreciation charge	(699,369)
Net book amount	30,422,548
As at 31 December 2023	
Cost	33,919,393
Accumulated depreciation	(3,496,845)
Net book amount	30,422,548

The lease liabilities were initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The movement of the lease liabilities is analysed below:

	Land €
As at 1 January 2022	41,053,955
Interest expense on lease liability	2,090,749
Repayment of lease liability	(2,329,300)
At 31 December 2022	40,815,404
At 1 January 2023	40,815,404
Interest expense on lease liability	2,078,428
Repayment of lease liability	(2,329,300)
At 31 December 2023	40,564,532

Notes to the Financial Statements continued

9. Right-of-use asset and lease liabilities continued

Lease liabilities for the years ended 31 December 2023 and 2022 are split into maturity groups as follows:

	2023	2022
	€	€
Non-current		
Lease liabilities	38,235,232	38,486,104
Current		
Lease liabilities	2,329,300	2,329,300
	2023	2022
	€	€

The statement of comprehensive income reflects the following amounts with respect to leases:

Depreciation charge of the right-of-use assets	699,369	699,369
Interest expense on lease liability	2,078,428	2,090,749

The total cash payments for leases in 2023 and 2022 were €2,329,300 and €2,329,300 respectively.

10. Financial assets at fair value through profit or loss

	2023	2022
	€	€
Fair value at 31 December		
With-Profits Fund	1,641,966	1,601,918
Debt securities	4,816,368	2,169,658
Equity instruments	3,617,997	135,740
Collective Investment Schemes	102,558	123,437
Total financial assets at fair value through profit or loss	10,178,889	4,030,753

Notes to the Financial Statements continued

10. Financial assets at fair value through profit or loss continued

	2023 €	2022 €
Year ended 31 December		
At beginning of the year	4,030,753	5,039,266
Bonus on With-Profits Fund	40,048	15,860
Net gain/ (loss) from changes in fair value during the year	347,346	(389,941)
Portfolio movements	5,760,742	(634,432)
At end of year	10,178,889	4,030,753

11. Trade and other receivables

	2023 €	2022 €
Trade receivables - gross	7,394,697	5,403,550
Less: Credit loss allowances	(2,975,787)	(2,692,628)
Trade receivables - net	4,418,910	2,710,922
Prepayments and accrued income	2,433,123	2,197,699
Other receivables	3,566	64,696
	6,855,599	4,973,317

Trade Receivables is stated net of credit loss allowances amounting to €2,975,787 (2022: €2,692,628). Accrued income amounts to €2,340,047 (2022: €2,110,177).

12. Cash and cash equivalents

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

	2023 €	2022 €
Cash from investments	14,370	2,014,271
Cash at bank	15,924,304	9,185,365
Cash in hand	181	1,141
	15,938,855	11,200,777

Notes to the Financial Statements *continued***13. Term deposits**

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

	2023	2022
	€	€
Maturing within one year		
1 year fixed-term deposits	6,500,000	6,500,000
Term deposits from investments	-	3,768,798
	6,500,000	10,268,798
Maturing after one year		
2 years fixed term-deposits	-	-
5 year fixed-term deposits	12,000,000	12,000,000
	12,000,000	12,000,000

14. Share capital

	2023	2022
	€	€
Authorised		
10,000,000 ordinary shares of €2 each	20,000,000	20,000,000
Issued and fully paid		
5,000,000 ordinary shares of €2 each	10,000,000	10,000,000

Notes to the Financial Statements continued**15. 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 4.14 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:

	2023	2022 (restated)
	€	€
At the beginning of the year	2,740,516	2,371,962
Retirement benefit expense	360,582	368,554
At end of year	3,101,098	2,740,516

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 2023. The total amount to be paid out by the Company, as charged by the Service Pensions Department, as at 31 December 2023 amounted to €3,101,098. The balance due for year ending 31 December 2022 was restated during the current year as detailed in note 28.

16. Other financial liabilities

	2023	2022
	€	€
Amounts owed to government	4,764,334	4,298,460

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**17. Trade and other payables**

	2023	2022
	€	€
Trade payables	1,791,816	1,563,162
Accruals and deferred income	1,045,564	5,913,358
Deferred government grant	121,339	-
Other payables	5,347,292	1,873
	8,306,011	7,478,393

18. Borrowings

Borrowings as at 31 December 2021 included a loan from Euro Control with an interest rate of 1.5% per annum, which was repaid by 31 March 2022.

19. Bank overdraft

	2023	2022
	€	€
Bank overdraft	12,950	11,303

The outstanding bank overdraft as at 31 December 2023 and 2022 is secured by general hypothec over the Company's assets. The average rate of interest during the year was 5.15% (2022: 5.15%).

20. Revenue

	2023	2022
	€	€
Provision of air traffic control services:		
En-Route traffic	22,793,788	21,159,713
Terminal traffic	7,704,009	5,434,333
Exempt traffic	1,863,499	1,863,499
	32,361,296	28,457,545

Notes to the Financial Statements continued

21. Expenses by nature

	2023	2022 (restated)
	€	€
Staff costs (Note 22)	13,048,853	12,678,771
Depreciation expense (Notes 8 and 9)	1,913,222	1,941,923
Auditor's remuneration	2,950	2,950
Other operating expenses	9,587,653	7,840,525
Total expenses	24,552,678	22,464,169

Auditors' fees

Fees charged by the auditors for services rendered during the financial years ended 31 December 2023 and 2022 relate to the following:

	2023	2022
	€	€
Annual statutory audit	2,750	2,750
Tax return fees	200	200
Total	2,950	2,950

22. Staff costs

	2023	2022 (restated)
	€	€
Staff costs incurred during the year were as follows:		
Wages and salaries	12,260,017	11,895,596
Social security costs	428,254	414,621
Retirement benefit contributions	360,582	368,554
Total	13,048,853	12,678,771

Notes to the Financial Statements continued22. Staff costs continued

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

	2023	2022
Operations	57	54
Technical	52	57
Administration	64	60
	173	171

23. Finance costs

	2023	2022
	€	€
Interest on bank overdraft	598	519
Interest on loan	-	3,853
Interest on right-of-use asset	2,078,428	2,090,749
	2,079,026	2,095,121

24. Other income/(expenses) - net

	2023	2022
	€	€
Interest income on bank deposits	383,222	286,497
Net gain/(loss) from changes in fair value of financial assets at fair value through profit or loss	369,885	(394,025)
Investment transaction fees	(104,217)	(21,297)
Dividend received	88,264	32,761
Interest expense on subscriptions	-	(1,163)
Interest income on redemptions	42,178	12,625
Income from grants	-	615,910
Other income	1,775	442,875
Rental income	342,398	270,630
	1,123,505	1,244,813

Notes to the Financial Statements continued

25. Tax expense

	2023	2022
	€	€
Current tax expense	1,175,594	1,074,409

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:

	2023	2022
	€	€
Profit before tax	6,853,097	5,143,068
Tax on profit at 35%	2,075,059	1,711,579
Tax on profit at 15%	88,965	75,067
Tax effect of:		
Adjustments for chargeable income	(746,458)	1,574,293
Unabsorbed trading losses	-	(969,278)
Capital allowances	(241,971)	(1,317,252)
Tax charge in the accounts	1,175,594	1,074,409

26. Directors' emoluments

	2023	2022
	€	€
Salaries and other emoluments	68,184	66,774

Notes to the Financial Statements continued**27. Cash generated from operations**

Reconciliation of profit before tax to cash generated from operations:

	2023	2022
	€	€
Profit before tax	6,853,097	5,143,068
Adjustments for:		
Depreciation of property, plant and equipment (Note 8)	1,213,852	1,247,744
Release of depreciation on disposal of property, plant and equipment (Note 8)	-	(35,200)
Depreciation of right-of-use asset (Note 9)	699,369	699,369
Gain on disposal of property, plant and equipment (Note 8)	-	(500)
Retirement benefit contributions (Note 15)	360,582	368,554
Provision for doubtful debts (Note 11)	283,159	174,213
Interest expense	2,078,428	2,088,150
Decrease/(increase) in fair value of financial assets at fair value through profit or loss	(391,396)	336,132
Interest income	(384,931)	(297,640)
Changes in working capital:		
Increase in trade and other receivables	(2,165,441)	(1,327,119)
Increase in trade and other payables	827,618	1,721,172
Cash generated from operations	9,374,337	10,117,943

28. Correction of prior period errors

During the current financial year, it was identified that an error had been made in the calculation of the provision for retirement benefits in prior periods. The error arose due to the incorrect retirement date being used for one of the retirees, resulting in an overstatement of the provision for retirement benefits and a corresponding understatement of retained earnings.

Hence, these should be recognised as prior period errors and be corrected according to the relevant standards. The errors have been corrected by restating each of the affected line items for prior periods. The following tables summarise the impact on the Company's financial statements.

Notes to the Financial Statements continued

28. Correction of prior period errors continued

i. Balance sheet

1 January 2022	Impact of correction of error		
	As previously reported €	Adjustments €	As restated €
EQUITY AND RESERVES			
Retained earnings	11,875,419	629,719	12,505,138
LIABILITIES			
Non-current liabilities			
Provision for retirement benefits	3,001,681	(629,719)	2,371,962

ii. Balance sheet

31 December 2022	Impact of correction of error		
	As previously reported €	Adjustments €	As restated €
EQUITY AND RESERVES			
Retained earnings	15,944,078	629,719	16,573,797
LIABILITIES			
Non-current liabilities			
Provision for retirement benefits	3,370,235	(629,719)	2,740,516

29. Related party transactions

The Company has related party relationships with companies over which the directors exercise significant influence. The Company is 99.9% owned by the Malta Government Investments Limited, acting as agent for the Government of Malta. Consequently, all entities controlled by the Government of Malta are considered to be related parties.

The key management of the company are considered to be the directors, who are also considered to be related parties.

Notes to the Financial Statements *continued*29. **Related party transactions** *continued*

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 operating results and financial position of the company:

	2023	2022
	€	€
INCOME STATEMENT		
Sales to:		
Government of Malta on exempt traffic	1,863,499	1,863,499
Malta International Airport p.l.c. on air navigation services and instrument landing system	1,055,796	1,043,636
Expenses:		
Directors' fees	68,184	66,774
Meteorological services from Malta International Airport p.l.c.	743,688	743,688
Interest on leased land from Government of Malta	2,078,428	2,090,749
Settlements to:		
Civil Aviation Directorate for regulatory and supervisory costs	3,837,034	1,868,110
Malta International Airport p.l.c. for navigation and surveillance costs	448,000	494,000
BALANCE SHEET		
Receivables from:		
Malta International Airport p.l.c. on services rendered	1,247,316	1,475
Payables to:		
Malta International Airport p.l.c. on services rendered	488,502	259,017
Malta Government Investment Limited as capital contribution	4,764,334	4,298,460
Civil Aviation Directorate and Malta International Airport p.l.c. for settlements over cost allocations	5,297,229	5,463,100
Liability of lease on land from Government of Malta	40,564,532	40,815,404

Notes to the Financial Statements continued

30. Statutory information

Malta Air Traffic Services Limited is a limited liability company and is incorporated in Malta, with its registered address at Malta International Airport, Luqa, LQA 5000, 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 Clock Tower, Level 1 Tigne Point, Sliema, Malta.

31. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's disclosure format for the purpose of compliance with the International Financial Reporting Standards (IFRS), and the requirements of the Maltese Companies Act (Cap. 386).

Supplementary Statements 2023

Detailed Statement of Comprehensive Income

Schedule I

	2023 €	2023 En-route €	2023 Terminal €	2022 €
Revenue	32,361,296	24,433,667	7,927,629	28,457,545
Staff costs	(13,048,853)	(9,786,640)	(3,262,213)	(12,678,771)
Depreciation expense	(1,913,222)	(1,530,578)	(382,644)	(1,941,923)
Other operating expenses	(9,590,603)	(8,051,152)	(1,539,451)	(7,843,475)
Finance costs	(2,079,026)	(1,663,221)	(415,805)	(2,095,121)
Other income/(expenses) – net	1,123,505	898,804	224,701	1,244,813
Profit before tax	6,853,097	5,234,202	1,618,895	5,143,068

Schedule does not form part of the audited financial statements.

Revenue

Schedule II

	2023	2023	2023	2022
	€	En-route	Terminal	€
		€	€	
Provision of air traffic control services:				
En-Route traffic	22,793,788	22,793,788	-	21,159,713
Terminal traffic	7,704,009	-	7,704,009	5,434,333
Exempt traffic	1,863,499	1,639,879	223,620	1,863,499
	32,361,296	24,433,667	7,927,629	28,457,545

Schedule does not form part of the audited financial statements.

Other Operating Expenses

Schedule III

	2023 €	2023 En-route €	2023 Terminal €	2022 €
Eurocontrol contribution	1,109,749	1,068,749	41,000	968,189
Regulatory and supervisory costs	3,837,034	3,290,685	546,349	1,868,110
Navigation and surveillance costs	448,000	-	448,000	494,000
Meteorological services	771,229	678,681	92,548	768,371
European Voluntary Fund	221,668	195,068	26,600	44,334
Communication expenses	412,064	362,616	49,448	445,147
Training	280,215	246,589	33,626	445,779
Insurance	678,750	597,300	81,450	668,432
Provision for doubtful debts	283,159	249,180	33,979	174,213
Travelling	236,292	207,937	28,355	415,544
Water and electricity	258,111	227,138	30,973	245,519
Legal and professional fees	103,433	91,021	12,412	72,476
General expenses	50,037	44,032	6,005	33,683
Conference expenses	12,692	11,169	1,523	30,331
Subscriptions	146,986	129,348	17,638	121,652
Cleaning	109,990	96,791	13,199	71,880
Licences and permits	87,227	76,760	10,467	48,997
Directors' fees	68,184	60,002	8,182	66,774
Fuel and oil	13,340	11,739	1,601	44,558
Repairs and servicing	263,606	231,973	31,633	511,226
Printing and stationery	25,728	22,641	3,087	37,461
Motor vehicle expenses	11,423	10,052	1,371	18,310
Bank charges	3,420	3,010	410	8,281
Staff expenses	2,159	1,900	259	6,308
Sponsorship	21,254	18,703	2,551	1,526
Medical fees	18,600	16,368	2,232	17,802
Hire of equipment	9,772	8,599	1,173	7,028
Advertising	12,427	10,936	1,491	3,581
Donations	5,244	4,615	629	4,000
Car hire	74,189	65,286	8,903	68,312
Difference on exchange	(3,196)	(2,812)	(384)	3,194
Carriage	3,766	3,314	452	5,038
Entertainment	4,408	3,879	529	5,093
Auditor's remuneration	2,950	2,596	354	2,950
Registration fees	1,400	1,232	168	1,400
Penalties and fines	174	153	21	75,103
Safety wear	481	423	58	828
Wages and salaries	4,638	3,479	1,159	38,045
	6,906,120	5,939,263	66,857	6,884,130

Schedule does not form part of the audited financial statements.



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