

2022

Annual Report



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It is with honour that I present this annual report, just weeks after I took the helm of Servizzi Ewropej f' Malta. The Agency is synonymous with facilitating EU related matters, particularly EU funding. I proudly say that I found a team who is committed towards delivering its mission to serve as a gateway to EU funds in Malta and Gozo. SEM is committed towards adopting a citizen-centred approach, i.e. making it easier for citizens and organisations to reap the benefits of EU membership through EU funds.



This comes to no surprise as from the first day I took office, I found a hard-working, committed and welcoming team that is exceptionally motivated and professional to deliver the services that are expected from its service users.

Credit also goes to Mandy Falzon who led the Agency and its team for the last four years.

As this annual report shows, SEM and Europe Direct Valletta have delivered successfully upon the commitments for 2022. It presents a snapshot of several achievements related to communications and outreach on matters related to the EU as well as the assistance provided to organisations applying and implementing EU-funded projects. With the refocusing of its functions to serve as a one-stop-shop for EU funds in Malta, SEM is indeed delivering on its mission to facilitate the absorption of EU funds by a wide array of individuals, enterprises, NGOs, local councils and youths. Last year, 84 project proposals were submitted under various EU funding programmes and another 37 organisations were assisted in the implementation of their successful EU-funded projects.

At SEM we believe that facilitating access to EU funds and services highly depends on meeting people. To this effect, in 2022, the team personally met over 400 individuals and organisations and provided assistance to an equal amount of requests for information. On a wider scale, the Agency implemented no less than 74 different events ranging from public discussions, public events, targeted sectoral training and information sessions and press conferences.

Throughout the year, the team also participated in several radio and TV programmes and delivered on several outreach campaigns on traditional and social media platforms with the objective to make EU funds known to the widest possible audience.

As the host organisation for Europe Direct Valletta – one of over 400 information centres in the EU supported by the European Commission – SEM continued to communicate the EU's priorities, initiatives and benefits to the public and to specific audiences.

EU careers were also on the agenda of the Agency to inform and assist individuals who are interested in pursuing a career in one of the institutions and agencies of the EU.

Looking forward, my ambition is to work together with my team to bring EU funds closer to home and make EU funds more understandable and accessible to many more potential beneficiaries. I am convinced that we can do more, as I firmly believe that EU funds have changed and will continue to change the quality of life of people and their standard of living. EU funds have changed and will continue to change our country for the better.

Denise Fiorentino
CEO, Servizzi Ewropej f' Malta

The annual report for Servizzi Ewropej f' Malta for last year, serves us to look back at the achievements of the Agency in 2022 and its success in reaching out to a multitude of individuals and organisations where EU Funds are concerned. This annual report is proof to the steadfast commitment of the SEM team to increase awareness and information on EU Funds, to widen the spectrum of take-up of available EU funding opportunities and in helping several organisations to implement EU-funded projects.



When we look at the positive achievements gained by the country through EU Funds over the years since Malta joined the EU, we are looking to an even brighter future with greater optimism that the €2.2 billion package of EU Funds obtained by Prime Minister Robert Abela for the period 2021-2027 will continue to change the lives of our individuals, families, communities and organisations for the better. As a result, our country and its people will become even more sustainable, more resilient, and more digital.

As a Government, we are committed to make EU funds as accessible and as close to the people as possible. This is our main objective. We are committed to keep simplifying the process of benefitting from EU funds so that anyone can make use of them. We started this process last year on two fronts: we have been doing away with practices that have worked for the last twenty years but which can be superseded with more modern ones to reduce bureaucracy as much as possible. Secondly, we are also making government structures related to EU funds, more in tune with the needs of potential beneficiaries. We believe in simpler and more effective processes that make EU funds more accessible. We started this process by developing a single website for EU funds in Malta – fondi.eu. The website makes it much easier for anyone to identify the funds available for different sectors of the economy and the population.

Above all, we have entrusted Servizzi Ewropej f' Malta with the mission to serve as a 'one-stop-shop' to whoever needs assistance on EU funds. We are committed to increase the capacity of the Agency to expand on its services by assisting potential beneficiaries, who may find the process difficult to apply for EU funds.

We intend to increase our efforts in harmonising the work of the departments and divisions related to EU funds. This will culminate in the establishment of a single agency that manages all EU funding instruments, to have more structured and more efficient processes.

Our end goal is to engage individuals and organisations together with Government to offer more and better opportunities to all those who need support to succeed. EU funds are an invaluable tool to make this happen. EU Funds will continue to contribute towards improving the quality of life of our families and our country in the years to come.

Hon. Chris Bonett
Parliamentary Secretary for European Funds

Our Values

We strive to provide professional and efficient services that make a difference in people's lives through EU funds

WE ARE:

- Committed and passionate in making the process to tap into EU funding easier
- Efficient and reliable when delivering our core services to clients
- Proud in what we do through making things differently and better to the benefit of our clients

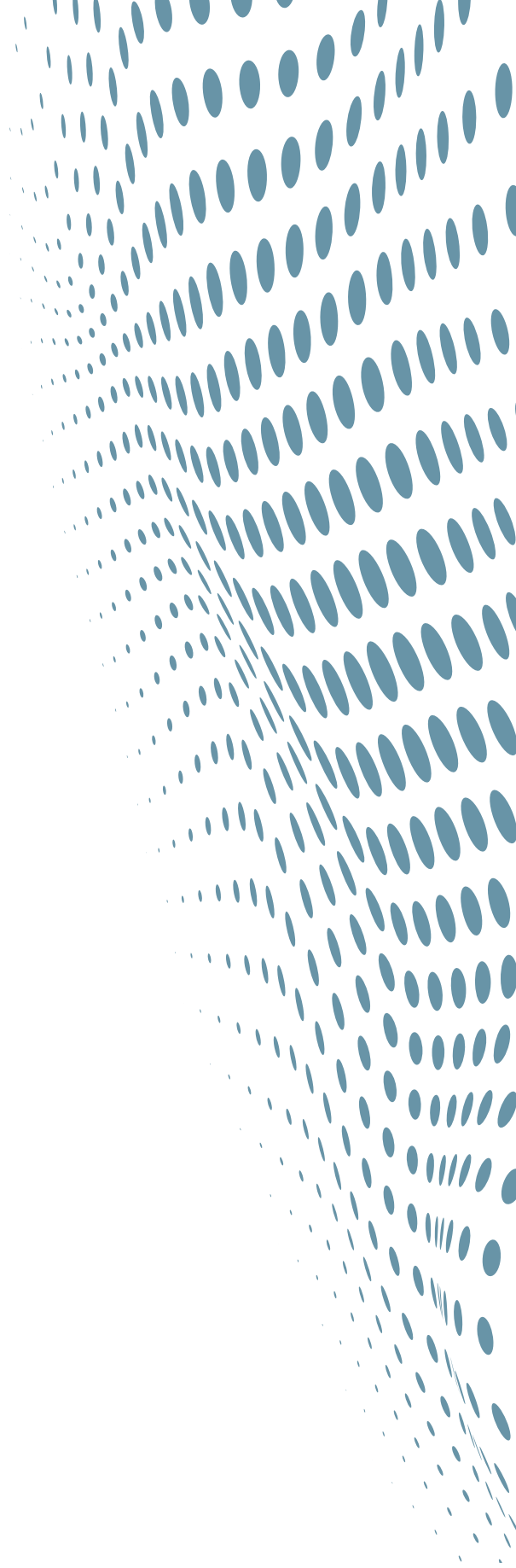
Our Vision

Committed to make the benefits of EU funds known to the widest audience and facilitate access to EU funds to target groups

Our Mission

Transforming people's lives by making EU funds accessible to all

REAPING THE BENEFITS OF EU FUNDS



SEM is committed to provide personalised and free of charge assistance to various organisations such as NGOs, local and regional councils, government entities, businesses, farmers, fishers, schools and the general public in the practical aspects related to EU funding opportunities throughout the application and implementation phases.

This is carried out through the dissemination of information through a variety of communication channels, the organisation of information and training sessions on project development, writing and implementation, a customer help desk to provide specific technical assistance on EU funding, as well as one-to-one meetings to give practical advice related to project planning and design.

The Agency also provides support in the implementation of EU funded projects. This service complements the support provided during the application stage. This ensures that organisations not only apply and benefit from EU funding but also receive the necessary assistance to implement their projects successfully.

In 2022, SEM officials met up with over 80 organisations as part of the Agency's outreach to maximise the uptake and benefits of EU funds in Malta and Gozo.

By the end of the year, 84 EU funding proposals were submitted, 37 organisations were assisted with EU project implementation, 410 one-to-one meetings were held with potential beneficiaries to discuss EU funding proposals, and 413 requests for information on EU related issues and EU funding were replied to.

15 promotional videos on EU funding success stories and on key concepts related to EU funding were created and disseminated. SEM officials participated in 52 different radio and TV programmes to promote SEM and its services.

Guidance documents were published to assist organisations with the implementation of their EU funded projects, over 15 meetings were held with managing authorities, EU information providers and various departments to coordinate better communication on EU-related matters and other gaps in the guidance to applicants when applying and implementing EU funded projects. 12 training sessions were organised to government departments, local councils and civil society organisations on EU funding programmes and on how to draft EU-funded project proposals.

Outreach to organisations to benefit from EU Funds



A study which the Agency had carried out in previous years, had indicated that the majority of respondents have shown a general interest to participate in initiatives which the Agency organises periodically and also in receiving information about its functions. It was highlighted multiple times that there needs to be more of a one-to-one approach.

To continue to reach out to organisations, in 2022, SEM embarked on a project spread over a number of months, during which officials from the Agency met over 80 organisations on a one-to-one basis. Some meetings were held directly on site at the respective organisations' premises while others were hosted at SEM's offices in Valletta. Some organisations preferred an online meeting.

This exercise enabled SEM to establish direct contact with organisations to promote the services provided by the Agency and to broaden the network of stakeholders. This initiative served as a platform to step up outreach efforts of the Agency to increase its visibility, functions and services provided to stakeholders with respect to EU funds.

Training for organisations in EU funding

As part of the Agency's mission to support organisations to acquire the necessary skills to apply for EU funding, training sessions and interactive webinars on project development and writing were held throughout the year.

The sessions delved into project design, understanding a call for proposals, how to prepare for the submission of a proposal, finding and selecting a project partner, the project development process and practical tips for successful project proposals.

Participants were also given hands-on examples to put into practice the matters covered during the training sessions, by participating in small-group exercises where they worked together as a group to develop a mock project.



Supporting organisations to implement EU funded projects successfully

Since the introduction of this new service in 2021, which proved to be another leap forward in the range and quality of assistance provided to organisations, the Agency received overwhelming feedback from various entities showing interest in receiving information and guidance in relation to the implementation of EU funded projects.

During the last year, SEM organised no less than nine sessions, during which participants were provided with key guidelines and tips on how to implement an EU funded project successfully.

The target groups for these specific sessions were NGOs, social partners, schools, local councils and public entities.



My Europe, My Malta, My Future: School Visits to EU-funded Projects

During the month of March, SEM officials have accompanied groups of Year 9 and Year 10 European Studies students from different secondary schools, on a series of visits to different projects around Malta that have been partly financed by the EU, as part of the EU-wide, 'EU in my school' initiative, spearheaded by DG Regio of the European Commission and organised locally by the Parliamentary Secretariat for European Funds and the European Commission Representation in Malta.

The EU funded projects that the students visited were varied in nature and showcased the diverse areas in which the EU seeks to invest in and support. The three projects selected were in the fields of augmented reality, environment regeneration and heritage conservation.

Faculty of Media & Knowledge Sciences at the University of Malta

Students were given details about the SintegraM project - a €7 million project that uses hi-tech mapping equipment to produce a complete 3D picture of the nation's geography and infrastructure with the aim of making information for town planning easily accessible to all. Students were able to experience this project first-hand via a 3D surround cinema where they could 'fly around' a 3D picture of the Cittadella in Gozo.



Rehabilitated landfill at Wied Fulija, Żurrieq

Students were given a tour of the park - a former landfill converted to a green area open to the public - and were informed on how EU funds were used to rehabilitate the landfill back to its natural state. A total of €4.5 million were invested in this project. During this visit, students were able to walk around this green space and enjoy panoramic views of Filfla.



Heritage Malta's Conservation Labs, Bighi, Kalkara

Students were able to see the rehabilitation works being carried out by the Conservation Division on the Knights' Armoury as part of the Grand Master's Palace Regeneration Project - a €28 million project that seeks to restore, rehabilitate, and enhance the value of the Grandmaster's Palace in Valletta. Conservators at the Bighi Labs also showed students the scientific process that is behind the conservation and rehabilitation of different artifacts such as paintings, books, papers and textiles.

During these visits, SEM officials delivered a short information session about the EU and EU funds. To encourage student engagement, this session took the form of a short quiz followed by a worksheet on some facts and information related to the EU. At the end of the information session, SEM officials invited students to participate in an art competition leading up to Europe Day on May 9. This competition, titled 'My Europe, My Malta, My Future', encouraged students to reflect on the insights gained during the project visits, by relaying the impact of EU funds in Malta through artistic expressions.



Informing on EU Funding Opportunities

SEM constantly updates stakeholders and potential beneficiaries of EU funds on open funding calls and EU funding programmes to encourage organisations and entities to apply for EU funds for their projects.

Besides the support given to organisations, from time to time the Agency organises dedicated information sessions to explain specific EU funding programmes in detail and how these entities can benefit from the funding programmes' strands.

EU Funding Opportunities for Youths



In March, SEM organised a virtual information session for youth organisations.

The session focused on the funding opportunities available to them under the Erasmus+ and the European Solidarity Corps programmes, namely: Youth Exchanges, Mobility for Youth Workers, Youth Participation Activities, DiscoverEU, Partnerships for Cooperation, Volunteering and Solidarity Projects.

The information session was open to all public and private organisations working with youths and the youths themselves, as they too can benefit directly from such opportunities.

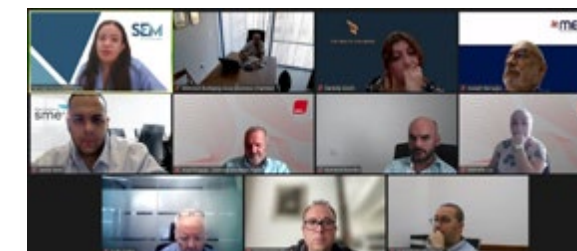
The session also included interventions from Frame Football Malta and Youths Marsascala who discussed their past projects and the assistance they received from SEM.

EU Funding Opportunities for Social Partners

An online information session was organised in July, presenting funding opportunities relevant for social partners, including employers' organisations and trade unions.

During the presentation, several different funding programmes were discussed, including Erasmus+, the European Social Fund+ and the Citizens, Equality, Rights and Values (CERV) programme.

An overview of SEM's EU funding services was also provided, promoting how the Agency can support social partners from development of a project idea, support with the application process and assistance in the implementation of projects.





EU Funding Opportunities for Schools

At the end of last year, SEM in collaboration with the European Union Programmes Agency (EUPA), organised two information sessions focusing on funding opportunities for schools under the Erasmus+ programme.

The Erasmus + programme provides schools with a number of funding opportunities to implement various types of projects. Such opportunities can focus both on improving the capacity and pedagogical skills of the teachers, while at the same time enhancing the overall learning experience of students.

During these sessions, information was provided on two funding opportunities open to schools through the Erasmus + programme, these being Key Action 1: Mobility for pupils and staff in school education and Key Action 2: Cooperation among Organisations & Institutions. The information sessions were followed by a number of workshops.

Communicating EU Funds through different Media Platforms

Communications and outreach are an integral part of the role of SEM to actively help entities and individuals tap into EU funds, apply for EU funded projects and implement them successfully.

Throughout the year, SEM is committed to inform the public, individuals and organisations about the latest EU funding opportunities and benefits of EU funds. This is done through an impact-oriented approach, using the most appropriate communication channels to address the right target audience.

In 2022, SEM officials participated in 52 radio and TV programmes to promote the services of the Agency, to communicate information on EU funding

opportunities and the benefits of EU funds for different sections of the population, to explain how EU funds work, and to promote success stories. 100 articles were written by SEM officials which were published on nationwide online and print media.

The use of social media is crucial to reach out to very wide audiences. In 2022, 650 social media posts and stories were produced and disseminated.

To increase brand awareness of the Agency, four Google ads campaigns and four radio campaigns on the six most popular radio stations in Malta were also published.



EU Funds for our Communities

EU funds are a fundamental instrument by which EU priorities are funded. These provide an important financial resource to organisations at the national, regional and local level to implement projects in our communities.

Throughout 2022, several events were organised to promote the work of the Agency when supporting organisations to apply for EU funding.

The following are some of the projects for which EU funds were obtained through the assistance of SEM.

Strengthening Cybersecurity

SEM provided technical assistance to the Malta Information Technology Agency (MITA) to acquire EU funds for a project on cybersecurity.

The project, funded by the Digital Europe Programme, will enable MITA to act as a National Coordinating Centre for Cybersecurity and to provide the required tools to strengthen cybersecurity in Malta. Part of these funds will be used to enable SMEs to invest in cybersecurity technologies and to train their respective personnel in using such tools.



This project is expected to establish the National Coordinating Centre for Cybersecurity in Malta and shall include an online registry to create a national cybersecurity community. This Centre will also have an online presence, including a specific website, to promote both the Centre itself and also cybersecurity in general.

SEM officials held several meetings with MITA to draft a competitive proposal and to fill the necessary application form which required technical information and a detailed budget plan.

Town-Twinning for Local Councils



Town-twinning has been supported for decades by the EU as a unique way of bringing together local communities from different countries to share their history, way of life, culture and all that makes them unique.

To facilitate the implementation of such projects, in 2022, SEM assisted local councils from six different localities to apply for EU funds under the Citizens, Equality, Rights and Values programme (CERV), for their twinning projects. These localities were Mdina, Msida, Naxxar, San Lawrenz, Valletta and Żejtun. All projects were successfully awarded EU funding.



EU Funds for Youth Empowerment

The 1st Qormi Scout Group received SEM's support to acquire funding for a youth exchange with other scout groups from Ireland, Italy, Slovakia, Lithuania and Poland. Stemming from the needs of some of the young members of the organisation, the aim of this project was to equip youths with skills and coping mechanisms related to mental health.

Through outdoor activities such as rock climbing and archery, participants were equipped with skills to conquer their fears and also learned about the benefits of physical and outdoor activities on mental wellbeing. The project included the participation of mental health professionals in workshops addressing different mental health related topics.

Participants benefitted by learning more on how to express their emotions and learning different coping mechanisms to manage their mental wellbeing.

Restoration works on two religious niches in Żabbar

With the assistance of SEM, the Żabbar Local Council acquired EU funds of over €13,000 for restoration works on two religious niches within the locality namely a statue dedicated to St Joseph and another one dedicated to Jesus the Redeemer.

Through the funds from the EU's LEADER funding programme, the Local Council implemented this project to preserve the cultural assets in Żabbar and promote the attractions which the locality has to offer to visitors, including tourists.

The restoration interventions on both niches consisted of dry and water cleaning of the site statues, hydraulic lime treatment, desalination, interventions to repair the stonework of the niches, removal of damage caused by graffiti/vandalism and installation of a glass partition sealing the site statues within their respective niches.



San Miguel Primary Education Resource Centre

With the assistance of SEM, the San Miguel Primary Education Resource Centre in Pembroke acquired EU funds of over €106,000 for a project that equips educators with skills on the use of drama in special education.

The project aimed to empower special education teachers to make new or better use of drama in their teaching techniques, through training and the exchange of good practices.

Involving the participation of schools from five different countries - Malta, Turkey, Italy, Lithuania and Poland - the project consisted of five learning, teaching and training activities, each focusing on a specific area: creative drama; multi-modal drama techniques; stage design; story-based drama; body language and integrating drama across the curriculum.

This project contributed to filling a knowledge lacuna felt by special education teachers across the five participating countries which currently have different levels of creative drama application and niche expertise in their own schools.

The expected outcome of this project is to improve further the teaching methods and the quality of education given to students with learning disabilities.





Six Local Councils obtain Small Grants for their localities

During a signing ceremony, the Santa Venera, Hal Tarxien, Paola, Marsa, Vittoriosa, Sliema and Senglea local councils, signed agreements for different projects financed by the Norwegian funds amounting to a total of €690,000. The Small Grant Scheme's objective is to improve the quality of life and sustainable living standards of residents within urban localities.

SEM assisted six of these local councils to develop their project ideas and apply for these funds.

The projects include the following actions: development of a day centre for people to gain new abilities and gain more work opportunities and promote active ageing and social inclusion by providing a secure environment for the elderly; regeneration of a garden and a playground to be used for socio-cultural and educational activities; mobility service for vulnerable people; promoting the employability of youths aged 14-25 who are at a critical juncture between school education and entry into the labour market, and; assisting adults as they leave the labour market due to retirement.

Four projects funded by the LEADER programme

SEM assisted a number of organisations to apply for EU funds under the LEADER programme. Such funds help small organisations and local councils which are very often limited in their financial resources to implement projects that benefit the local communities.

SEM comes in to support these organisations through the technical assistance required to apply and implement successful EU-funded projects. This support, which is free of charge, make up for the limited human resources of the applicant organisations.

Four projects funded from the LEADER programme were promoted at an activity in Żejtun in the presence of representatives of the four organisations that benefitted from these funds.

Żejtun Corinthians Football Club, Beland Band Club, Teresa Nuzzo Foundation and Marsaxlokk Parish benefitted from a total of €55,000 for their projects.

Żejtun Corinthians Football Club sought LEADER funding for the purchase of items to transform the training grounds hall of the club into a living space including a dormitory to host foreign football teams and provide a more comfortable space for activities for the Club's members. The project will combine informal education and the healthy development of young individuals.



The Beland Band Club's project focused on refurbishment works within their premises in Żejtun, by implementing alterations to internal windows and doors to their original state and purchased new equipment for the teaching of music to students attending the band club.

The Teresa Nuzzo Foundation acquired funds to implement a LEADER project on behalf of the Congregation, which owns and runs St Joseph Home in Żejtun. The Home was built as an extension to the Chapel of the Holy Spirit between 1819-1820 and always served a community purpose. The Foundation is restoring most of the wooden apertures and conserving the facade of the Home.



The Marsaxlokk Parish Church applied for LEADER funding for the gilding and restoration of an ostensory (an ornamental religious artefact used to display the Holy Eucharist on special occasions) which is older than 120 years. The asset consists of the ostensory as well as an ornamental halo which attaches to it. This asset is closely tied to the religious heritage of Marsaxlokk. It shall be displayed in a museum annexed to the Parish Church of Marsaxlokk.

The LEADER programme for rural development is one of the programmes which serve local councils and organisations to implement small-scale projects for the benefit of local communities in a wide range of areas, from restorations and renovations of historic, cultural and community buildings to sport clubs, band clubs and religious organisations.

Networking meetings in Brussels

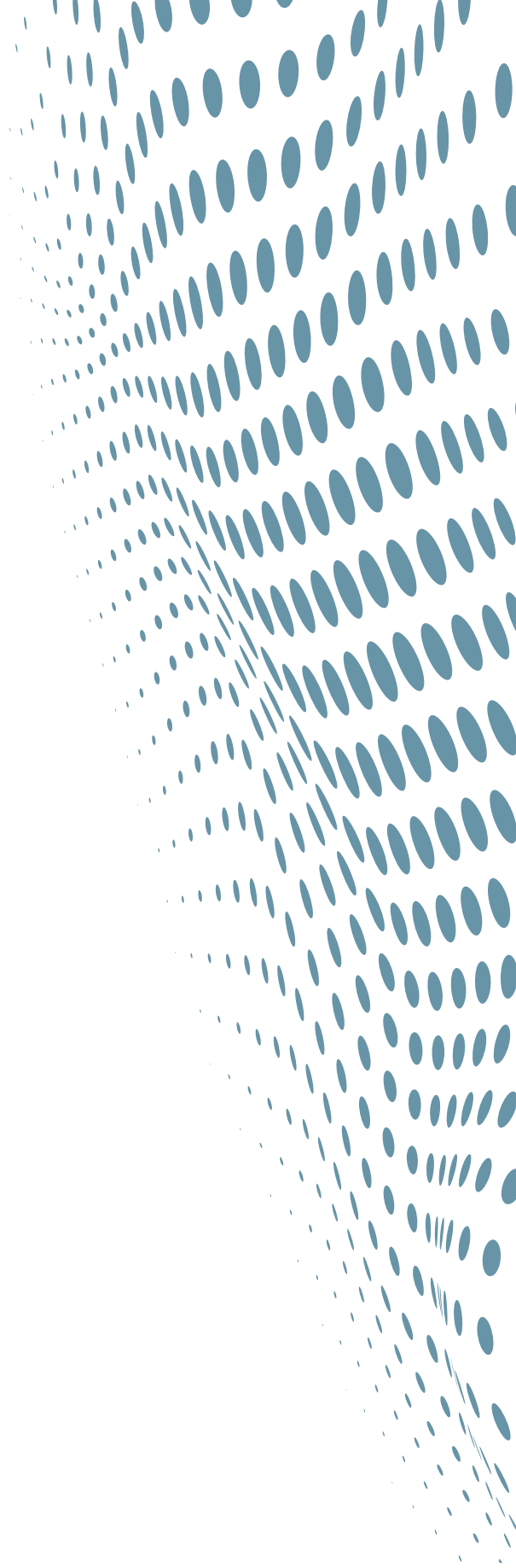
During the second week of November, SEM officials attended a number of meetings in Brussels about various EU programmes.

The main aim of this visit was to establish a direct communication channel with the European Commission, to enhance the Agency's mission in bridging the gap between the EU and local entities. This will enable SEM to adapt its working methods and provide an even better service in relation to EU funds to its clients.

During the visit, SEM officials met numerous representatives from Directorates General of the European Commission. These entities manage different EU funds for which local organisations can apply. Discussions were varied, according to the respective funding programme, including the application and implementation processes.



EUROPE DIRECT VALLETTA



Building on the experience gained in the first three and a half years of its operations between January 2018 and April 2021, SEM applied successfully with the European Commission to run the Europe Direct Valletta information centre for another term from May 2021 to December 2025. Europe Direct Valletta joins the other two centres in Malta - Europe Direct CORE and Europe Direct Gozo - and 421 other centres across the EU.

The Europe Direct information centres are supported by the European Commission to disseminate information and assist European citizens in EU related matters. This is mainly carried out by engaging with citizens on EU related matters at local and regional levels.

Europe Direct Valletta provides information, advice, assistance and answers to questions about the EU in general, the rights of EU citizens, the EU's priorities, legislation, policies, programmes and EU funding opportunities.

The Europe Direct office, run by SEM officials on a day-to-day basis, gives a wider European dimension to the Agency. Over the past years, Europe Direct Valletta managed to build connections with several other Europe Direct centres in the EU and partnered in several cross-border initiatives. The centre also gives the opportunity to SEM officials to take part in training offered by the European Commission and to represent Malta in annual general meetings.

During 2022, through Europe Direct Valletta, SEM was able to consolidate a national network of EU information providers and EU related national contact points by holding regular meetings and joint initiatives to streamline EU related services in Malta. The office also organised small and large-scale events, discussions and educational visits, Europe Day celebrations, the activities related to SkolaSajf and the publication of an activity book for Year 4 students - 'Discover the European Union with Leo and Myra', which are all explained in this report.

Celebrating Europe Day - May 9

Europe Direct Valletta and SEM worked on a diverse programme of events for the public and students to celebrate Europe Day. The main activities took place in Freedom Square, Valletta with the collaboration of the European Commission Representation and the European Parliament Liaison Office in Malta.

This important date in the EU's calendar marks the day when 72 years ago, then French Foreign Minister Robert Schuman proposed the European project, with a future vision of a Europe built on peace and unity. This year, more than ever, the theme of peace was more evident due to the war in Ukraine.



Citizens' Fair



Fourteen different information providers and national contact points which offer EU-related services in Malta and Gozo, were present to provide information about the benefits of EU membership.

These were: SEM/Europe Direct Valletta/EU Careers; European Commission Representation in Malta; European Parliament Liaison Office in Malta; European Union Agency for Asylum; European Employment Services (EURES); Malta Council for Science and Technology (Horizon Europe); European Union Programmes Agency and Aġenzija Żgħażaġh; Strategy and Implementation Division, EU funds; SOLVIT Malta; European Consumer Centre; Entitlement Unit (Ministry for Health); URBACT; Euroguidance Malta.

Activities for students



Year 9 and 10 students from six secondary schools presented artistic works related to visits to EU-funded projects which were organised over the previous weeks. These visits were part of the 'Europe in my School' initiative, being held across the EU, to raise awareness about the benefits of EU funding for citizens.

As a follow-up to these visits, the students were invited to take part in a drawing competition, titled 'My Europe, My Malta, My Future', whereby they had to express their experience in an artistic way. The best submissions were displayed during Europe Day activities.

The European Parliament Liaison Office in Malta organised a quiz for post-secondary students who participated in the European Parliament programme for Student Ambassadors in schools across the EU. This programme is aimed at raising awareness about democracy and EU values, and help students understand the rights of EU citizens.

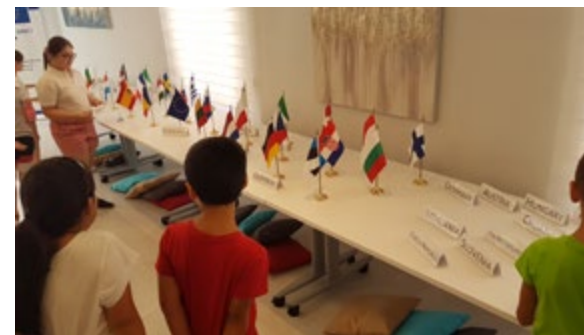
SkolaSajf 2022



For the tenth consecutive year, Europe Direct Valletta and SEM participated in the government run summer school, SkolaSajf, by delivering 25 sessions to 8-12-year-olds, during July and August, reaching more than 350 students in Malta and Gozo.

This year's SkolaSajf sessions focused on how children can actively contribute to the fight against climate change by becoming 'Climate Heroes'.

Through videos and interactive games, children were engaged to learn some basic facts about the EU and how they can contribute towards a sustainable, environment-friendly future. Participating children were able to understand better their responsibilities on active citizenship, what the EU is doing vis-à-vis climate change and the protection of the environment, and how they can contribute actively in their own way.



During a visit at our offices, Parliamentary Secretary for European Funds, Dr Chris Bonett, met a group of children from Hal Tarxien SkolaSajf Centre. The Parliamentary Secretary entered into a conversation with the children about the different EU Member States and why was the EU formed. He also spoke to them about Malta in the EU and how EU funds are invested in Malta through projects that are of benefit to society such as roads, health, education and the environment.

SkolaSajf activities are organised in close collaboration with the Foundation for Educational Services. The sessions in Gozo were delivered with the support of Europe Direct Gozo.

Simulation of the Council of the European Union

In November, Europe Direct Valletta and SEM hosted several Year 10 and Year 11 European Studies students from different schools, for a simulation of the Council of the EU. A total of three simulation activities took place at SEM's offices in Valletta, welcoming more than 60 students.

The simulation was an interactive and educational activity that aimed at helping students to get a better understanding of the EU decision-making process. Students were presented with a mock proposal by the European Commission for a Regulation for an EU Fair Fashion Label. Their task was to present the interests of the Member State assigned to them regarding fair fashion, find a compromise that benefits all Member States and vote on one of the articles of the proposed Regulation.

As part of the activity, the students had to seek how to best formulate their arguments about the article of the Regulation and work together with like-minded countries to push for the same position. As ministers, the students had to prepare opening statements and also engage in a debate before reaching a common agreement. Therefore, this was an opportunity to practice public speaking skills while also learning first-hand on the collaborative environment of the EU in decision-making.



During one of the simulation activities, SEM was joined by the Parliamentary Secretary for European Funds Dr Chris Bonett. Students had the opportunity to discuss with Dr Bonett how decisions are taken at an EU level, particularly with respect to EU funds and the importance of each Member State presenting its interests while also seeking a compromise for a common solution.

As part of the run-up to this activity, SEM officials held preparatory information sessions about the Council of the EU with every participating school. A total of eight preparatory sessions were carried out during the month of October. During these sessions SEM officials provided information on the role of the Council of the EU, its functions and how decisions are taken by Ministers. Information was also provided on what is the simulation activity and what students were to expect on the day.

Book Launch: Discover the European Union with Leo and Myra

On December 6, the new activity book 'Discover the European Union with Leo and Myra' was launched during an event with the participation of Year 4 students from Paola Primary School, representing the age for which the book is addressed.

The event started off with an introduction by Mandy Falzon, the CEO of SEM, who gave a short explanation about the EU, and an overview on the development and purpose of the activity book to the children present, while thanking all those involved in the creation of this book.

This was then followed by an activity with children led by Joe Sciberras, Head of Communications & Outreach at SEM, bringing out the message that while the EU is made up of 27 different countries, they are all equal and united in their diversity.

The Parliamentary Secretary for European Funds, Dr Chris Bonett, then followed up to this activity with a discussion with the children on EU funds. Dr Bonett explained how it is also necessary that all EU countries come together to decide how the EU's

money should be spent among them. In this regard, he gave a number of examples of how EU funds are spent both in Malta and in other Member States, such as in hospitals, schools, and towards a better environment.

Through this activity book, young children can explore the EU by learning and playing different activities with Leo and Myra. The book includes colourful illustrations by Matt Stroud, which have been developed to give an attractive and interesting overview of the EU to children. The content of the book, developed by SEM and Europe Direct Valletta, explores the EU countries, the motto, the flag, the anthem, the languages, the currency, the values, and Malta in the EU, among other topics.

The book has been distributed to Year 4 students in all schools in Malta and Gozo.



'#noħlomlixdarba' wins National Book Prize

During the annual National Book Prize awards ceremony held in November, the book #noħlomlixdarba, published by SEM and Europe Direct Valletta in 2021 was chosen as the winner of the Terramaxka category for young children and adults.

The book for 14 and 15-year-olds contains ten fictional stories about the values of the EU and opportunities for the younger generations, written by Clare Azzopardi and illustrated by Naomi Gatt.

The National Book Prize is the highest literary prize assigned to authors, editors, translators, publishers and illustrators for books published in Malta during the preceding year.



Public Dialogue: Recovery, Strength and a Sense of Belonging



The Ambassador of the Republic of France to Malta, Agnès von der Mühl presented the programme and priorities of the French Presidency of the Council of the EU (January-June 2022) during an online public discussion hosted by Europe Direct Valletta and SEM, in collaboration with the Embassy of the Republic of France to Malta.

CEO of SEM, Mandy Falzon hosted the discussion with Ambassador von der Mühl. Attending this discussion virtually were representatives of diplomatic missions in Malta and abroad, civil society representatives, government officials and members of the public.

During the discussion, the main topics discussed were the EU in a globalised world and championing a citizen-centred Europe, within the context of the EU's goals to combating climate change and its recovery plan from the effects of the pandemic.

Information Campaign: Make a difference, use less plastic

Keeping citizens of all ages informed about the latest developments in the EU's policies, priorities and strategies was a key function of Europe Direct Valletta and SEM during 2022. As part of our efforts to reach out to as many people as possible, a number of activities were organised to provide information on the EU's priorities and latest developments.

Flea Markets

During the month of April, Europe Direct Valletta and SEM visited four different localities in Malta to raise public awareness on the damage and the reduction of single-use plastic locally and in the EU.

Through an information stand set up in the vicinity of flea markets, SEM officials provided factual information on the problem of single-use plastics and their adverse effects, what the EU is doing to address this problem and encourage the public to take action by reducing the use of plastic through their participation in a competition.

The stands were set up in Mosta, Cospicua, Birkirkara and Hal Qormi.

Visitors at the information stand were able to collect a flyer and a bamboo toothbrush as a token, while also being encouraged to take part in a competition on social media, related to alternative plastic use.



Study visits by local and foreign students

From time to time, Europe Direct Valletta and SEM host groups of students, from both local and foreign institutions, to provide basic information on how the EU works and also Malta's experience in the Union.

School Visit



Early in May, Year 4, Year 5 and Year 6 students attending the St Julian's Primary School, St Clare College, had a discussion on the damage and the reduction of single-use plastic locally and in the EU.

This discussion with students focused on plastic waste and on what the EU is doing to reduce single-use plastics and to promote awareness-raising measures concerning the negative consequences of incorrectly disposing of single-use plastic products. The students were also asked to give examples on what they can do to reduce plastic waste as well as to reuse plastic objects for other purposes.

During this session each student was presented with a flyer containing information on plastic waste and a bamboo toothbrush as a token. The token was well received by the young students who were eager to do their bit to help save the planet!

Marija Regina College, Mosta Secondary School



In March, a group of secondary school European Studies students from Mosta Secondary School, Marija Regina College, visited our premises and were given a presentation on the institutional framework of the EU.

Danish Students

Throughout 2022, SEM officials delivered four presentations on Malta's role in the EU to groups of students from Denmark who at time were in their final year of studies at EUC Lillebaelt School, Øregård Gymnasium, Silkeborg Gymnasium and Nykøbing Gymnasium respectively.

During every session, students were given a brief overview of Malta as an EU Member State and provided students with some information on the milestones Malta has achieved since its accession.

Gozo College, Rabat Primary School



In June, a group of students from the Gozo College, Rabat Primary School visited SEM's premises as part of their day programme at Valletta. SEM officials provided the students with information about the EU, Malta as an EU Member State and how they can practise EU values in their daily lives.



Youth Conferences

During 2022, Europe Direct Valletta and SEM, in collaboration with the National Youth Council, hosted two conferences for youths to discuss current issues faced by the EU.

The Future of Europe



In March, as part of the Conference on the Future of Europe initiative, a group of young people came together to exchange their views and suggestions on the future of the EU. The participants were divided into small groups around different tables where they had an intra-table discussion on the following topics within the context of the future of Europe: environment, security and migration, EU international relations, connectivity among youths in Member States and Rule of Law.

This was then followed by an open discussion between the participants on different tables during which they discussed the future of the EU's relationship with Russia, and security and defence of the Union's borders. Other topics that were touched upon include the freedom of the media and youth activism.

The European Year of Youth



As the European Year of Youth came to a close, a conference organised in December, brought together youths from various sectors, from Malta and the rest of Europe.

This conference provided a space in which different youth organisations had the opportunity to exchange best practices in activism and the social causes in which they are involved, with the purpose of laying the foundations for the future.

Youths present had the opportunity to participate in workshops that focused on the following themes: the environment, arts and culture, civic engagement, youths in the community, and sports. Experts from the respective sectors were invited to join the workshops and share their expertise as well as best practices on how issues are to be tackled. The results from each workshop were then presented during the conclusions on the conference.

Parliamentary Secretary for European Funds, Dr Chris Bonett, delivered the opening speech. An intervention was also delivered by SEM officials on opportunities related to EU Careers and to traineeship programmes within the EU institutions and agencies.

Network of Networks Meetings

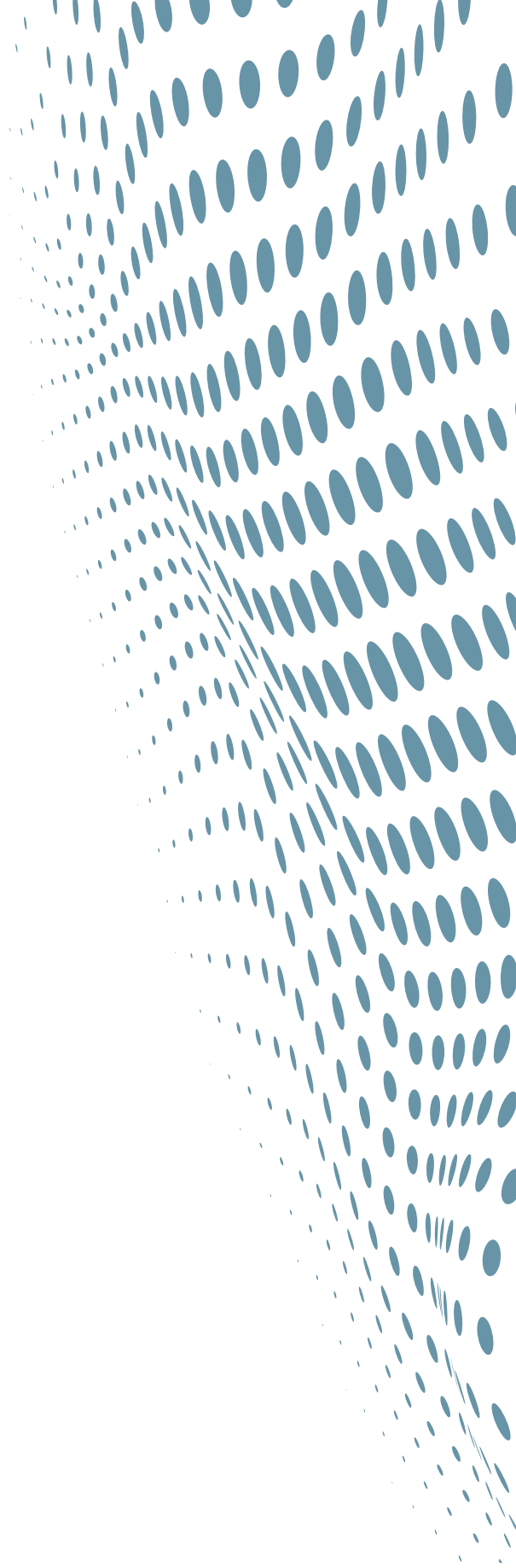
Periodically, SEM and Europe Direct Valletta bring together EU related national contact points and information providers in Malta to discuss issues of common interest and to find ways of collaboration to reach out to citizens in terms of rights, obligations, benefits and opportunities as European citizens.

The first meeting for 2022 was held on March 24, to coordinate the preparations in the run up to Europe Day on May 9. During this meeting the locally based European Union Asylum Agency (EUAA), delivered a presentation explaining their expanded mandate and operations, as well as their re-branding. It then followed with a presentation and discussion by SEM, Europe Direct Valletta and the European Commission Representation in Malta, on the preparations leading up to the event being held on Europe Day. Here, the logistical aspects as well as the programme of activities were presented.

A second meeting, organised in collaboration with Europe Direct Gozo, was organised in July to discuss ways of collaboration in issues of interest to the Gozitan community. Following a presentation by Daniel Borg, CEO of the Gozo Business Chamber, participants discussed ways and means of collaboration with EU info providers in Malta to reach the Gozitan community better.



PROMOTING EU CAREERS



In 2021, SEM had been approached by the Permanent Representation of Malta to the EU to assist in promoting EU careers and job opportunities with the EU's institutions and agencies in Malta over the short and medium term.

Throughout 2022, SEM held several events to raise awareness about such opportunities and teamed up with various entities to be able to reach the widest audience possible and encourage a higher uptake by Maltese nationals to pursue careers with the EU institutions, agencies and bodies.

SEM also assists on a daily basis in queries by persons interested in pursuing an EU career.

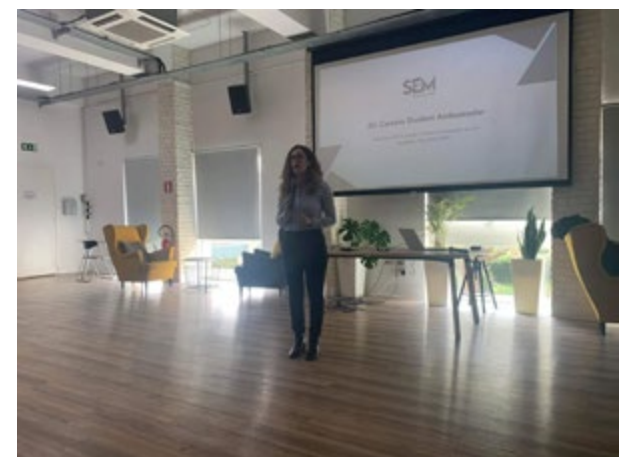
EU Careers Event - University of Malta

The first event of 2022 related to the promotion of EU Careers in Malta took place in March, with SEM participating in an activity hosted by the EU Careers Student Ambassador at the University of Malta, to promote EU Careers to students.

The event focused on promoting the different employment and traineeship opportunities offered by the EU Institutions to students once they graduate.

During this event, students were provided with information on the different permanent and contract-based positions available in the EU institutions and agencies as well as the process that one has to complete to be selected for such positions. Students were also informed of the different traineeship opportunities offered by the Institutions and were given a detailed presentation on how to apply for the traineeships offered by the European Commission and the European Parliament.

SEM officials spoke about their experience as trainees within the European Commission and provided students with some helpful tips that they can use when applying for such an opportunity that would help them to stand out from other applicants. They also informed students of the work that SEM is tasked with carrying out especially with respect to promoting EU Careers in Malta.



Study Visits - Public Policy Students

As part of an agreement between SEM and the Department of Public Policy at the University of Malta to strengthen cooperation in areas of mutual interest, from time-to-time students from this Department visit SEM offices for information sessions about the Agency's functions, about Malta's membership in the EU and about EU Career opportunities.



Traineeships offered by the European Institutions

In March, SEM organised an information session to a group of students currently in their final year of reading for a Bachelor of Commerce in Public Policy.

The first part of this session aimed at providing students with general information on traineeship opportunities offered by the European institutions. For the second part, students were provided with more in-depth understanding on the traineeships offered by the European Commission and the European Parliament. This also included specific guidance on the respective application and selection procedures of these two traineeships.

Students were also presented with a mock application for the European Commission traineeship programme and were provided with specific guidance as well as some tips on how to fill in this application.

The Functions of SEM in Public Administration

A group of Master's and undergraduate students from the Public Policy Department visited our offices in April for an information session about SEM's main functions.

As an introduction, the students were provided with a brief explanation of how the Agency has evolved throughout the years - going back to the Agency's inception before Malta's accession to the EU and continuing to the transition from MEUSAC to SEM.

The discussion then moved onto the main functions of SEM, including an explanation of SEM's assistance when it comes to supporting citizens and organisations in tapping into EU-funding opportunities.

Information to students currently reading for a Bachelor of Commerce

In April, SEM organised two information sessions to two groups of students currently reading for a Bachelor of Commerce at the University of Malta.

The first part of this session aimed at providing students with general information on traineeship opportunities offered by the European institutions. For the second part, students were provided with more in-depth understanding on the traineeships offered by the European Commission and the European Parliament - the Blue Book and Schuman traineeships. This also included specific guidance on the respective application and selection procedures of these two traineeships.



Interactive webinars on EU Careers

During the months of June and July, SEM organised a series of online information sessions on EU Careers.



Introduction to EU Careers

An introductory session on EU careers was hosted by SEM officials to provide participants with a brief overview of the different career opportunities offered by the EU.

The first part of the session was aimed at helping the participants orient themselves with EU Careers with general information on EU Careers and the different EU Career profiles and positions offered by the EU institutions and agencies. During the session, details were also given on the requirements and selection procedure tied to the respective positions.

For the second half of the session, Maltese nationals currently working with the EU institutions and agencies shared their experience on pursuing an EU Career, explained the benefits of working in the EU and shared some advice with the participants.

Contract Agents & Temporary Staff Positions in the EU

During the second webinar, SEM officials focused on providing attendees with more in-detail information on the Contract Agents and Temporary Agent positions in the EU as presented during the introductory session.

The first part of the session was aimed at providing the participants with a better understanding of what are contract agents and temporary staff, and what are the tasks and grades associated with the respective positions. Guidance was also provided on the respective recruitment procedures, and on certain

selection tests that prospective candidates must undergo. Furthermore, information was also provided on practical matters such as salaries, contract duration and where to find vacancy notices related to these types of positions.

For the second half of the session, Maltese nationals currently working with the EU institutions and agencies shared their experience on pursuing an EU Career and also explained the benefits of working in the EU.



Permanent Staff Positions in the EU

For the third and final webinar in the series of online information sessions on EU Careers, SEM invited Mr Koen Hendrix from the European Personnel Selection Office (EPSO) to provide more information on joining the EU civil service as a Permanent Official.

For the first part of the session, Mr Hendrix provided participants with a brief overview on the qualities of candidates and why should one consider joining the EU civil service. He then moved onto providing more in-detail information on how Permanent Officials are selected by EPSO through open competitions. Attendees were provided with information on

the different competitions organised by EPSO and guidance on the different phases of these competitions. Finally, a brief overview was provided of other positions in the EU institutions such as Interim staff, freelancers and traineeships.

During the second half of the session, Maltese nationals currently working with the EU institutions and agencies shared their experience on pursuing an EU Career and shared some advice with the participants.

The Blue Book Traineeship

In August, SEM and the Permanent Representation of Malta to the EU, hosted a webinar in preparation to the open application for Blue Book (European Commission) traineeships for the Spring Session, starting March 2023.

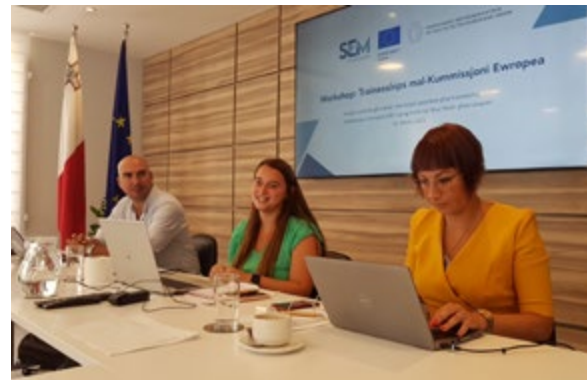
The first part of the session, aimed at helping attendees better understand what this opportunity is about, provided general information on the European Commission, what a traineeship in this EU institution entails and how such an opportunity can benefit young graduates.

During this session, information was also provided on the updated application and selection procedure. Furthermore, useful tips and tricks that should be taken into consideration when applying for a Blue Book Traineeship were shared with the attendees.

For the second half of the session, Maltese nationals who have previously participated in this programme, shared their experience and explained their career progression in the EU institutions so far. They also provided attendees with practical advice on how to apply for this opportunity as well as how to navigate life abroad.

Later on in August, a follow-up workshop on how to submit a successful application was held at SEM's offices in Valletta. This workshop was intended for individuals who are actively planning to apply for the Blue Book Traineeship and who were interested in receiving guidance on how to fine tune their application.

During the session, attendees were provided with guidance on how fill the online application form, gather supporting documents, and prepare for the selection procedure, to ensure a successful outcome.



EU Careers promotion at Freshers' Week

During the month of October, SEM supported the current EU Careers Student Ambassadors during the University and MCAST Freshers' Week 2022. These activities served to highlight SEM's role in the promotion of EU Careers in Malta.

Stands on EU Careers

EU Careers were promoted on information stands at the University Campus, MCAST Paola and MCAST Gozo.

SEM officials explained to visitors how they may follow an EU career after their studies, answered their queries, promoted EU Careers Malta social media pages and handed out promotional material on EU Careers.



Talks on EU Careers

SEM also participated in three talks about EU careers. The first session was held with first year students of the Institute for European Studies, whereby a brief overview of different EU career opportunities with a particular focus on traineeships was presented. The main focus of this talk was to guide first year European Studies students on how to prepare themselves throughout their university years, so that they are more eligible for applying for such positions within the European institutions once they graduate.

Similarly, more information regarding EU careers was also provided during a second talk, whereby SEM officials were invited to an event on EU Careers organised by the European Studies Organisation. Here, students were provided with information on the different permanent and contract-based positions available in the European institutions and agencies as

well as the websites through which more information may be accessed. Students were also informed of the different traineeship opportunities offered by the European institutions, namely those by the European Commission and the European Parliament. Students were also provided with some helpful tips that they can use when applying for such an opportunity that would help them to stand out from other applicants.

SEM also participated during a Fresher's Talk held at MCAST Paola Campus, whereby students were once again presented with a brief overview of different EU career opportunities, particularly traineeships in EU institutions related to their fields of study, as well as how to prepare themselves throughout their years of study should they wish to pursue such opportunities once they graduate.

PEOPLE AND CULTURE

At SEM, our culture is to strive to do things better constantly.

SEM is proud to have a team of professional and dedicated personnel, determined to provide efficient and personalised services to its clients.

The Agency promotes an inclusive work environment, harnessing a flexible and friendly approach towards employees who enjoy equal opportunities to progress.

At SEM, we acknowledge our employees' efforts, loyalty and dedication and foster communication and collaboration, where all employees feel part of the organisation.

Our Team



Continuous Professional Development

Throughout the year, SEM ensures the upkeep of an open working environment where employees can express their ideas and share their knowledge with the highest sense of commitment to the mission of the Agency. Employees are directly involved in defining the priorities and actions for the Agency for the coming year and regularly come up as a team at staff meetings to review ongoing initiatives and discuss any ideas or issues staff may encounter at the workplace.

Such culture is supported further through the organisation of regular training on specific topics such as creative thinking, emotional intelligence and team-building sessions to promote a positive working environment throughout the year.

Throughout the year, all employees are encouraged to participate in various training opportunities to continue to nurture their skills. In 2022, employees participated in training related to procurement, financial planning, evaluation techniques, managing mental wellbeing at the workplace and use of online tools and resources.

All employees were also provided with tailor-made training to continue to develop team dynamics and ensure that all employees are given the necessary tools and support to provide an efficient, personalised and professional service to clients.



SEM confirmed with the Quality Award for its Service of Excellence



In April, Principal Permanent Secretary Mario Cutajar visited SEM offices for the official signing of the Quality Service Charter, awarded to the Agency for the service of excellence it provides to customers.

During his visit, Mr Cutajar was welcomed by SEM CEO, Mandy Falzon and spoke to employees on the EU funding services offered by the Agency. He stressed the importance of keeping the high-quality services offered by SEM to its clients.

In 2022, the Agency continued to achieve the highest rating by the People and Standards Division in terms of adherence to the standards for service of excellence of the Public Administration's quality service. This is confirmed by regular reports carried out by independent evaluators, through rigorous mystery shopping exercises.

The mystery shopping exercise carried out in July 2022 rated the Agency's overall service as Excellent, with an average score of 88.8%.

SEM re-certified with Equality Mark



SEM has been re-certified with the Equality Mark for the third time, since 2015, by the National Commission for the Promotion of Equality (NCPE).

The Equality Mark is awarded to companies/organisations that demonstrate a commitment towards best practices in the area of gender equality and a confirmation of commitment towards equality in the policies and practices at the workplace. It is also a recognition to entities that make gender equality one of their values and whose management is based on the recognition and promotion of the potential of all employees irrespective of their gender and caring responsibilities.

SEM CEO Mandy Falzon received the re-certification during NCPE's annual conference, during which 36 organisations were re-certified, while another 19 organisations were certified with the NCPE Equality Mark for the first time.

Official Visits

Minister Silvio Schembri and Parliamentary Secretary Chris Bonett visit SEM

In May, Minister for the Economy, EU Funds and Lands, Silvio Schembri and Parliamentary Secretary for EU Funds, Dr Chris Bonett paid a visit to SEM offices to meet the agency's employees and discuss with them their everyday work.

Minister Schembri and Parliamentary Secretary Bonett thanked SEM staff for their work in communicating the EU to citizens and assisting organisations in applying for EU funds.

SEM CEO, Mandy Falzon provided a detailed account of the agency's workplan and outlined new ideas and projects on which the agency is planning to embark on in the coming months.



Parliamentary Secretary for EU Funds, Chris Bonett visits SEM

In November, Parliamentary Secretary for EU Funds, Dr Chris Bonett continued to maintain open dialogue with all SEM employees. The meeting focused on discussing ways of how SEM's services can continue to be improved and reach broader audiences.

The discussion focused on aspects to enhance the Agency's functions, mainly by increasing the awareness on EU funding in Malta and also by assisting entities such as NGOs, local councils, SMEs, farmers and fishers in applying for EU funds and also during the implementation of projects.

During this visit, Dr Bonett was accompanied by the Permanent Secretary for European Funds, Mr Jonathan Vassallo.

Testimonials

"We worked hand in hand with Servizzi Ewropej f'Malta to make our dream come true. They helped us in the development of the application and through constant communication, we were able to submit our application in time and eventually make this production happen."

Eman Zerafa
Sezzjoni Żgħażaġħ Palmizi,
Birgu Coordinator

"The funds that were acquired through the assistance of Servizzi Ewropej f'Malta, helped the Għajnsielem Local Council to be able to transform an old and abandoned playing field into what will be called, 'Għajnsielem Learning Garden'. On its completion, the project will have different elements that serve for educational purposes, to be used as a playground and will be accessible for persons with disabilities."

Kevin Cauchi
Mayor, Għajnsielem, Gozo

"Servizzi Ewropej f'Malta gave us invaluable help. The application had some groundwork to be done and throughout the process they gave us professional and efficient assistance, throughout constant communication, so that ultimately the application was successful."

Kenneth Delia
CEO, Hospice Malta

"Servizzi Ewropej f'Malta have helped us a lot to identify the right source for EU funding for this project. They also guided us in developing the framework of the project and to fill the application. Currently, SEM are also helping us in implementing the project and to rest assured that we are doing things the right way."

Joseph Abela Medici
Group Scout Leader,
1st Qormi Scout Group

"We came up with the idea for this project, however Servizzi Ewropej f'Malta helped us in the writing of the application. We found a dedicated team of professionals who were ready to assist us throughout the entire process. Based on our positive experience, we highly recommend others to make use of this service."

Sr Alexandra Chircop
Service Manager for Pastoral Care,
Pastoral Formation Institute,
Archdiocese of Malta

"Servizzi Ewropej f'Malta was the Agency which helped us to apply for these funds. Without their help, being a voluntary organisation, we would not have been able to make it. Apart from that, given that SEM keeps on monitoring and helping us through the implementation phase of the project, is a huge help for us because we know who to turn to when we get stuck."

Marthese Mugliette
President, Malta Association of
Supported Employment



AGENCY REPORT AND FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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Agency's Report

For the Year ended December 31, 2022

The Chief Executive Officer (CEO) presents the annual report together with the audited financial statements of Servizzi Ewropej f'Malta for the year ended December 31, 2022.

General Information

Servizzi Ewropej f'Malta (hereafter the "Agency") was established in 2021 by virtue of the Public Administration Act (Cap.595) by Legal Notice 445 of 2020 hereafter (the "Act") as an agency, which shall carry out functions related to EU related information and assistance on EU funding programmes.

Principal Activities

The Agency's principal activities are to inform citizens on the latest developments on EU funds and support organisations in tapping into EU funding opportunities by informing them on funding opportunities, helping those who are interested in applying for available funds and guiding successful applicants in implementing their projects.

Results

The Agency registered a surplus of €109,694 for the year ended December 31, 2022 (2021: €161,315) as shown in the Statement of Comprehensive Income on page 65.

Disclosure of Information to the Auditors

The CEO is aware, there is no relevant audit information of which the Agency's auditors are unaware. All steps have been taken to ensure that the Agency's auditors are aware of any relevant information.

Events after the end of the reporting period

On April 21, 2023 a new CEO was appointed, Ms Denise Fiorentino, replacing Ms Mandy Falzon who resigned on the same day.

No significant events have occurred after the end of the reporting period which require mention in this report.

Future Developments

The Agency is not envisaging any changes in operating activities for the forthcoming year.

Bankers

Bank of Valletta p.l.c.
Cannon Road
Santa Venera SVR9030
Malta

Central Bank of Malta
Castille Place
Valletta VLT1060
Malta

Statement of Responsibilities of the Agency

The Public Administration Act (Cap.595) article 31(a) of the Laws of Malta requires the CEO to prepare financial statements for each financial year ended which give a true and fair view of the state of the affairs of the Agency and of the profit or loss of the Agency for that period. In preparing these, the CEO is required to:

- adopt the going concern basis unless it is inappropriate to presume that the Agency will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The CEO is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency and to enable them to ensure that the financial statement comply with the Public Administration Act, enacted in Malta. The CEO is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PKF Malta Limited, Registered Auditors, have expressed their willingness to continue in office.

Approved by the Chief Executive Officer and signed on May 8, 2023:



Ms Denise Fiorentino

Chief Executive Officer

Registered Address:

Head Office
280, Republic Street
Valletta
VLT1112
Malta

Independent Auditor's Report

To the CEO of Servizzi Ewropej f'Malta Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Servizzi Ewropej f'Malta set out on pages 63-76 which comprise the statement of financial position as at December 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Agency as at December 31, 2022, and of its financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Public Administration Act, Cap. 595 of the Laws of Malta.

Basis for Opinion

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

Other Information

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

Based on the work we have performed, in our opinion:

- the information given in the CEO's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the CEO's report has been prepared in accordance with the Public Administration Act (Cap. 595) of the Laws of Malta.

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

Responsibilities of the CEO

The CEO is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Public Administration Act, Cap.595 of the Laws of Malta, and for such internal control as the CEO 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 CEO is responsible for assessing the Agency'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 CEO either intend to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The principal in charge of the audit resulting in the independent auditor's report is Mr George Mangion for and on behalf of:

PKF Malta Limited

Registered Auditors

15, Level 3, Mannarino Road
Birkirkara BKR9080
Malta

May 08, 2023

Statement of Comprehensive Income

For the Year Ended December 31, 2022

		2022	2021
	Note	€	€
Subvention and contributions	3.	965,566	955,184
Other income	4.	18,629	20,492
Total income		984,195	975,676
Administrative and other expenses		(871,741)	(811,245)
Finance costs		(2,760)	(3,116)
PROFIT FOR THE YEAR		109,694	161,315

The notes on pages 69-80 form an integral part of these financial statements.

Statement of Financial Position

As at December 31, 2022

	Note	2022 €	2021 €
ASSETS			
Non current assets			
Property, plant and equipment	7.	48,347	62,456
Current assets			
Other receivables	9.	24,677	43,131
Cash and cash equivalents	10.	582,607	458,875
Total current assets		607,284	502,006
TOTAL ASSETS		655,631	564,462
EQUITY AND LIABILITIES			
Equity			
Retained earnings		566,707	457,013
Liabilities			
Non current liabilities			
Lease Liability	8.	34,624	42,154
Current liabilities			
Lease liability	8.	7,530	6,681
Trade and other payables	11.	46,770	58,614
Total current liabilities		54,300	65,295
TOTAL EQUITY AND LIABILITIES		655,631	564,462

The notes on pages 69-80 form an integral part of these financial statements.

These financial statements on pages 65-80 were approved by the Chief Executive Officer and authorised for issue on May 08, 2023 by:



Ms Denise Fiorentino
Chief Executive Officer

Statement of Changes in Equity

For the Year Ended December 31, 2022

	Accumulated Fund €
Balance as at December 31, 2021	457,013
Surplus for the year	109,694
EQUITY AS AT DECEMBER 31, 2022	566,707

The notes on pages 69-80 form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended December 31, 2022

	2022	2021
Note	€	€
Cash from operating activities:		
Profit from operations	109,694	161,315
Interest expense to reconcile to profit (loss) from operations	2,760	3,116
Depreciation	17,204	16,621
Profit from operations	129,658	181,052
Movement in other receivables	18,453	(9,412)
Movement in trade and other payables	(11,844)	(36,743)
Net cash flows from operating activities	136,267	134,897
Cash flows from investing activities:		
Payments to acquire property, plant and equipment	(3,095)	(6,601)
Net cash flows used in investing activities	(3,095)	(6,601)
Cash flows from financing activities:		
Repayment of finance lease liabilities	(9,440)	(9,440)
Net cash flows used in financing activities	(9,440)	(9,440)
Increase in Cash and Cash Equivalents	123,732	118,856
Cash and cash equivalents at beginning of year	458,875	340,019
Cash and cash equivalents at end of year	10. 582,607	458,875

The notes on pages 68-80 form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended December 31, 2022

1. General Information

Servizzi Ewropej f'Malta (the "Agency") was established in 2021 under the Public Administration Act (Cap. 595) in terms of Legal Notice 445 of 2020. The Office of the Agency is situated at 280, Republic Street, Valletta, VLT1112, Malta. The ultimate controlling party of the Agency is the Government of Malta.

These financial statements cover the period from January 01, 2022 to December 31, 2022.

a. Basis of preparation

i. Statement of compliance

The financial statements of the Agency have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union and comply with the requirements of the Public Administration Act (Cap. 595) of the Laws of Malta.

ii. Basis of measurement

The financial statements have been prepared on the historical cost basis.

iii. Functional and presentation currency

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

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 liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

iv. Changes in Accounting Policies and Disclosures

Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current year

In the current year, the Agency has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after January 01, 2022. The adoption of new and amended standards did not have a material impact on the Agency's financial statements.

- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use (effective for annual reporting periods beginning on or after January 01, 2022);
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 01 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (effective for annual reporting periods beginning on or after January 01, 2022); and
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for annual reporting periods beginning on or after January 01, 2022).

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

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 Agency. Management anticipates that all the relevant pronouncements will be adopted in the Agency's accounting policies upon their effective date. The Agency is still assessing the effect of these changes on the financial statements. However, certain new standards and interpretations are not expected to have a material impact on the Agency's financial statements. The new and amended standards are as follows:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after January 01, 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual reporting periods beginning on or after January 01, 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 01, 2023).

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Non current Liabilities with Covenants (effective for annual reporting periods beginning on or after January 01, 2024);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual reporting periods beginning on or after January 01, 2024);

The Agency is still assessing the effect of these changes on the financial statements.

v. Going concern

The financial statements have been prepared on the going concern basis which assumes that the Government of Malta will continue to provide the necessary funding to the Agency to enable it to continue with its activities.

2. Significant Accounting Policies

a. Property, plant and equipment

i. Value method

The Agency's property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

ii. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site to which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment are carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

iii. Depreciation

Depreciation is charged to the income and expenditure account on a straight line method over the estimated useful lives of items of property, plant and equipment, and major components are accounted for separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The rates of depreciation used are the following:

Furniture and fixtures	10 years
Motor vehicles	5 years
Computer and Electronic Equipment	4 years
Air Conditioners	6 years

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gains or losses arising on the disposal or retirement of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or administrative and other expenses

b. Right of Use Asset

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

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

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

c. Impairment of non financial assets

The Agency assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Agency makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of comprehensive income (income statement) in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income (income statement). After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

d. Financial instruments

i. Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Agency becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs. Subsequent measurement of financial assets and financial liabilities are described below.

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

ii. Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the period presented, the Agency does not have any financial assets categorised as FVOCI.

The classification is determined by both:

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

iii. Subsequent measurement of financial assets

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

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

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

Even if an instrument meets the two requirements to be measured at amortised cost, IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Where assets are measured at fair value, gains and losses are recognised entirely in profit or loss (fair value through profit or loss, FVTPL). The Agency's investments fall into this category of financial instruments.

iv. Impairment of financial assets

Financial assets and financial liabilities are recognised when the Agency becomes a party to the IFRS 9's impairment requirements use more forward looking information to recognise expected credit losses the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements includes loans and other debt type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Authority first identifying a credit loss event. Instead, the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

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

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

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

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

v. Classification and measurement of financial liabilities

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

The Authority's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at FVTPL.

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

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

e. Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due to the original terms of the receivables.

f. Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits.

g. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Agency's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

h. Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Agency.

i. Provisions and contingent liabilities

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

j. Subvention and contributions

Revenue from the subvention voted to the Agency from the consolidated fund is accrued for in accordance with the Agency's approved budget for the year.

k. Government Grants

Government grants are assistance by government, inter governmental agencies and similar bodies whether local, national or international, in the form of cash or transfers of assets to the Agency in return for past or future compliance with certain conditions relating to operating activities of the Agency. Government grants are recognised when there is reasonable assurance that the Agency will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

l. Borrowing costs

Borrowing costs consists of interest and other costs that the Agency incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use of sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. In view of the borrowings of the Agency all interest costs were expensed in the period.

m. Financial risk management objectives and policies

At the year end, the Agency's main financial assets on the statement of financial position comprise other receivables and cash. At the year end, there were no off balance sheet financial assets.

At the year end, the Agency's main financial liabilities on the statement of financial position consisted of trade and other payables.

The main risks arising from the Agency's financial statements are interest rate risk, credit risk and liquidity risk. The CEO review and agree policies for managing each of these risks as summarised below:

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss.

Financial assets which potentially subject the Agency to concentrations of credit risk consist principally of certain other receivables and cash at bank.

The credit risk relating to the Agency's cash at bank is considered to be low since these are placed with quality financial institutions.

iii. Liquidity risk

The Agency actively manages its risk of a shortage of funds by closely monitoring the maturity of its financial assets and liabilities and projected cash flows from operations.

iv. Capital management

The Agency's objectives when managing capital are to safeguard its ability to continue as a going concern and to ensure that expenditures of the Agency are monitored in line with the financial contributions from the Government and other resources.

The capital structure of the Agency relates mainly with the accumulated fund in the statement of financial position.

3. Subvention and contributions

	2022	2021
	€	€
Government recurrent Subvention	910,000	900,000
EU Contribution	35,388	30,103
Salary Refunds	20,178	20,081
Norwegian Grant	-	5,000
	965,566	955,184

4. Other Income

	2022	2021
	€	€
Income from Cost Sharing Agreement	18,629	20,492

5. Surplus for the year

Surplus for the year is stated after charging the following:

	2022	2021
	€	€
Audit fee	2,596	2,360
Depreciation and amortisation	17,204	16,621
Personal Emoluments	571,287	522,716
	591,087	541,697

During the year under review the average number of persons employed by the Agency was as follows:

	2022	2021
	No.	No.
Full time employed by the Agency	16	15
Part time employed by the Agency	1	1
TOTAL	17	16

6. Taxation

The Minister for Finance and Employment has authorised that the Servizi Ewropej f'Malta (SEM) shall be exempt from payment of income tax in terms of the Article 12(2) of the Income Tax Act (Cap. 123) of the Laws of Malta.

7. Property, plant and equipment

	Right of Use Asset Property	Furniture and fixtures	Motor vehicles	Computer and Electronic Equipment	Air Conditioners	Total
	€	€	€	€	€	€
Cost						
At January 01, 2022	66,809	7,024	17,000	20,010	2,001	112,844
Additions	-	1,268	-	1,827	-	3,095
Balance at December 31, 2022	66,809	8,292	17,000	21,837	2,001	115,939
Depreciation and impairment losses						
At January 01, 2022	(22,269)	(1,191)	(13,600)	(12,688)	(640)	(50,388)
Depreciation charge for the year	(7,423)	(830)	(3,400)	(5,218)	(333)	(17,204)
Balance at December 31, 2022	(29,692)	(2,021)	(17,000)	(17,906)	(973)	(67,592)
Carrying amount						
At January 01, 2022	44,540	5,833	3,400	7,322	1,361	62,456
At December 31, 2022	37,117	6,271	-	3,931	1,028	48,347

8. Lease Liability

	2022	2021
	€	€
Maturity Analysis		
Less than one year	7,530	6,681
One to five years	34,624	42,154
TOTAL UNDISCOUNTED LEASE LIABILITIES AT DECEMBER 31	42,154	48,835
Split as follows:		
Current	7,530	6,681
Non Current	34,624	42,154
TOTAL	42,154	48,835

9. Other receivables

	2022	2021
	€	€
Accrued Income	11,492	29,552
Prepayments	13,185	13,579
TOTAL	24,677	43,131

10. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	2022	2021
	€	€
Bank balances	582,410	458,867
Cash on hand	197	8
TOTAL CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	582,607	458,875

11. Trade and other payables

	2022	2021
	€	€
Trade payables	6,337	7,951
Accruals	6,764	9,596
Deferred Income	33,669	41,067
TOTAL	46,770	58,614

12. Related Party Disclosures

Identity of Related Parties

The ultimate controlling party of the Agency is the Government of Malta.

Schedule 1 - Administrative and Financial Expenditure

	2022	2021
	€	€
Personal Emoluments		
Salaries and Social Security Contributions	571,287	522,716
Utilities		
Telephones, Internet & Mobiles	4,683	4,776
Water and Electricity	9,413	7,635
	14,096	12,411
Materials and supplies	2,338	3,244
Repairs and Upkeep	15,747	43,633
Office Services		
Printing	2,112	1,998
Online Subscriptions	1,127	509
Newspapers, Stationery and IT Consumables	2,990	1,270
	6,229	3,777
Transport		
Vehicle Maintenance	4,028	1,037
Fuel	1,265	1,613
Others	599	814
	5,892	3,464
Travel		
Overseas Tickets	4,299	1,014
Local Travel and Insurance	476	-
Overseas Subsistence and Accommodation	6,527	1,362
	11,302	2,376

	2022	2021
	€	€
Information related Expenditure	81,530	80,919
Contractual Services		
Insurance	3,437	3,947
Lift	862	925
Other	38	15,774
Cleaning	11,957	1,824
Hosting & IT	49,905	29,412
	66,199	51,882
Professional Services		
Accountancy	11,236	10,031
Professional services - Consultants	2,360	-
Auditor's remuneration	2,596	2,360
Other fees	826	5,203
	17,018	17,594
Staff Professional Development	16,320	11,927
Incidental Expenses paid from Petty Cash	-	191
European Direct Information Centre Expenses	46,054	30,103
European Social Fund		
Bank charges	392	425
Other Expenditure	133	116
EEA Norway Grant	-	9,846
Depreciation and amortisation	17,204	16,621
TOTAL ADMINISTRATIVE AND FINANCIAL EXPENDITURE	871,741	811,245

2022

Annual Report

SEM HEAD OFFICE

280, Republic Street,
Valletta VLT 1112

+356 2779 7300

SEM GOZO OFFICE

Triq il-Madonna Tar-Rummiena,
Xewkija XWK 9082

+356 2779 7308

SEM.GOV.MT