

GOZO REGIONAL  
DEVELOPMENT AUTHORITY

# Annual Report

# 20 21



**GOZO REGIONAL**  
DEVELOPMENT AUTHORITY

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# Chairman's Foreword



**Michael Grech**

CHAIRMAN  
Gozo Regional Development Authority

It is my pleasure to be writing this message as the first chairman of the newly set up Gozo Regional Development Authority (GRDA), an Authority that was incorporated by Act of Parliament and officially launched in September 2020.

For many years, the Ministry for Gozo has been the voice of the Gozitans on matters that range from infrastructural projects to policies, from services to investments, from the social dimension to the general business interest. Along the years, the Ministry for Gozo has served the general Gozitan interest well. The next step was the setting up of an entity with a focus on policy and monitoring. This objective was achieved by the setting up of the GRDA, which will assist and compliment the Ministry for Gozo in the various aspects of its endeavours.

During its relatively short period of existence, the Authority published amongst others a Vision Document for Gozo, a Corporate Plan 2021-2023 and a Guide on a Regional Impact Assessment Process. It has also published a draft Regional Development Strategy for Gozo covering a ten-year period, which was followed by an intensive round of public consultation.

Although the Authority is still a young organisation, officially in existence for just over one year with the first Board Meeting being held in September of 2020, a lot has already been achieved with the support of the Board of Directors and the dedicated hard work by the GRDA staff. It is to be noted that in line with the law establishing the Authority, the composition of the Board represents a wide spectrum of the Gozitan society. I am thus rather confident that in the coming years, the GRDA will continue to build further its structures and operations in line with the powers provided by the GRDA Act.

I would like to conclude my message by thanking the Minister for Gozo, for his continuous support, my fellow Board Members for their invaluable input at Board level, Mr. Mario Borg, the CEO, the staff of the Authority and to the various NGO's and individuals who have contributed to the success reached thus far by the Gozo Regional Development Authority. I am sure that in the coming years the Authority will establish itself as one of the important institutions not only for the island of Gozo but also for the whole of Malta as a country.

# CEO's Statement



**Mario Borg**

CEO  
Gozo Regional Development Authority

The first year of the Gozo Regional Development Authority was challenging and eventful in equal terms. Most of the efforts during the first months centered on the need to build up the basic operational infrastructure needed for the functioning of the Authority. Having a place from where to operate, identifying the skills required, setting the short-term priorities and objectives topped the GRDA agenda during the first few months in operation.

Communicating our role was equally important. For this reason, the GRDA immediately started working on its Vision Document with the intention to project to interested parties, the Authority's priorities and objectives and provide an operational snapshot on how it intends to achieve them. The Vision Document was published at the end of January 2021.

Three other important achievements during 2021 were the publication of draft Regional Strategy for Gozo in July, followed by an extensive consultation process. The second milestone was the publication of the framework for the Regional Impact Assessment, that will serve as a blueprint by which important projects and initiatives that impact Gozo will be examined and assessed by the GRDA. The third was the launch of the GRDA Corporate Plan for 2021-2023, which details the plans of the Authority for the next years.

At all levels, the Authority has championed good governance and transparency. As an example, the Corporate Plan does not limit itself in providing only high-level objectives but delves in depth on what the GRDA plans to achieve. It includes specific objectives, activities, and Key Performance Indicators (KPIs).

The Authority strongly believes in the engagement of stakeholders. For us, NGOs and civil society are key partners. During our first year, we arduously built and maintained an open dialogue with this crucial sector. We believe that our open and transparent approach adds value and gives confidence to stakeholders, enabling them to genuinely feel part of our efforts.

This annual report aims to provide information about how the GRDA managed its efforts from its setting up, as from September 2020. It also provides important information about its financial position via audited accounts which cover both the last four months of 2020 and full financial year ending 2021.

# Board of Directors



**MR MICHAEL GRECH**

CHAIRPERSON



**MS CHARLENE  
XERRI GATT**

VICE CHAIRPERSON



**MR MARIO BORG**

CEO



**DR MARLENE CINI**

SECRETARY



**DR SAMUEL AZZOPARDI**

MEMBER



**MR DANIEL BORG**

MEMBER



**MR JOE MUSCAT**

MEMBER



**MR JOSEPH BORG**

MEMBER



**MR ANTHONY BEZZINA**

MEMBER

The members of the Board of Directors of the Gozo Regional Development Authority who served during the term under review, were:

- Mr. Michael Grech - Chairperson
- Ms. Charlene Xerri Gatt - Vice Chairperson
- Mr. Mario Borg - CEO
- Dr Marlene Cini - Secretary
- Dr Samuel Azzopardi - Member
- Mr. Daniel Borg - Member
- Mr. Joe Muscat - Member
- Mr. Joseph Borg - Member
- Mr. Anthony Bezzina - Member

In accordance with the provisions of the Gozo Regional Development Authority Act, Chapter 600 of the Laws of Malta, the Authority Board members are appointed annually at the beginning of the financial year and shall hold office for a period not exceeding three years. The Board is responsible for carrying out the functions as set out in the law. There were no changes in the Board composition during 2021.

The Board met 13 times during the year. A number of Board Meetings were held through video-conferencing

as a preventive measure due to the present circumstances concerning the transmission of COVID-19. The Board held various meetings with external parties to the Authority including meetings with Ministers, Members of the Maltese Parliament and Maltese representatives of the European Parliament.

During 2021, amongst others, the Board has evaluated the following key matters:

- Regional Development Strategy for Gozo 2020-2030
- Regional Impact Assessment Framework
- Consultation Document
- Corporate Plan 2021-2023
- Continuous Education and Training Manual
- Disciplinary Policy and Procedure
- Vacation and Sick Leave Procedure and Policy
- Scholarship Scheme (B. Com degree delivered at UoM Gozo Campus)
- Authority's various Calls for Quotations
- Regional Impact Assessment on Gozo Airfield Project

# Audit Committee

The Audit Committee assists the Board of Directors in its oversight responsibilities with respect to internal governance and controls, and internal audit functions of the Authority. The person responsible of Internal Audit liaises directly with the Chairperson of the Audit Committee on the agenda of the Audit Committee, and any requests for information and audits.

- Mr. Joseph Borg - Chairperson
- Dr Marlene Cini - Secretary
- Mr. Joe Muscat - Member
- Ms. Elaine Camilleri - Member

## Our Mission

The GRDA's mission is to formulate, streamline and help in the implementation of regional policies to ensure sustainable development. The GRDA is to strengthen Gozo's voice amongst policy makers and other Governmental Bodies, so as to ensure that policies, actions and projects are adequate for the specific nature of the Gozitan ecosystem. The GRDA will make sure that its mission is attained by carrying out its consultative and legislative functions, backed by the strength of the GRDA Act.

Drawing up, implementing and enforcing the Regional Development Strategy for Gozo, so as to have a long-term, effective and efficient way forward to develop Gozo in a holistic and sustainable manner.

## Our Vision

## Our Values

- 1 Sustainable Development**  
The GRDA will promote sustainability in development policies at is believes in the critical balance between the social, environmental and economic priorities.
- 2 Representation**  
The GRDA will strive to ensure that all stakeholders, groups and individuals will be closer to where policy making takes place. Their contribution will be encouraged and channelled through formal and permanent structures that facilitate social dialogue.
- 3 Long-term focus**  
The GRDA's contribution to regional policy development is to target the long-term challenges faced by Gozo, ensuring that the region is looked at holistically.

- 1** Ensure sustainable economic growth, employment, and living standards across the economic, social, natural and human dimensions.
- 2** Play a key role in the planning stages with regards the upgrading of infrastructure and improvement of accessibility to Gozo, whilst giving due priority to the region's ecosystem and the region's characteristics.
- 3** Ensure that national policy and strategies are designed and implemented in full consideration of the regional dimension and Gozo's long-term viability.
- 4** Strengthen Gozo's institutional framework to improve the planning, decision making, implementation and evaluation processes.

### ORGANISATIONAL STRUCTURE



GRDA STAFF

# Operations

The Operations Unit within the GRDA oversees all aspects related to human resources management, finance and procurement. It is also responsible for supporting the Authority's logistics during events organised by the GRDA such as public meetings.

## ■ Premises and Office

In December 2020, the GRDA reached an agreement with IndisMalta for the temporary lease of circa 177m<sup>2</sup> of office space at the Gozo Innovation Hub in Xewkija, Gozo. The Operations Unit assisted in the logistics and procurement for the setup of new offices equipped with modern office furniture and IT systems.

## ■ Policies and Procedures

Given that 2021 was the first year of operations for the GRDA, the Unit was tasked with establishing the policies and procedures for a number of areas spanning across the operational structure of the Authority. During this year the Unit embarked on an exercise to map and document all operating processes and procedures concerning procurement, payment authorisation, statutory reporting, and the onboarding of new employees.

## ■ Document Management System

During 2021 the GRDA procured an online secure digital document-filing platform, effective, across the organisation. This software package effectively provides the Authority with a secure virtual document registry and a green solution that eliminates paper-based filing across the organisation. Alongside that, a new accounting and

bookkeeping software program was rolled out allowing the Authority to keep all accounting records in-house, yet available to select authorised users in real-time.

## ■ Finance and Payments

The GRDA also established important cooperation channels with the Ministry for Gozo to temporarily process payments and other essential finance functions. However, in March 2021 accounting and bookkeeping software program was procured, and the Authority started to handle all finance requirements including payments and payroll internally.

## ■ Human Resources

The Operations Unit was key in putting together the financial and human resources projections and played an active role in building such capacity. It led the recruitment process role in line with the established procedures and the Public Service Human Resources Regulations.

In accordance with the approved Human Resources Plan, the Authority issued three public calls for the engagement of two managers and one clerk. During 2021, four employees were also recruited from the public sector through the detailing procedure. By the end of 2021, the GRDA had a total of eight employees.

The GRDA is committed in the development of its employees and despite its early stages of existence, through its Operations Unit, the Authority has already trained some of its employees with new skills including digital desktop publishing, bookkeeping, project management and procurement tender evaluation. Going forward, it is the intention of the Unit to have in place development programs for all its employees and ensure they are fully equipped with the required skills-set and knowledge.

## ■ Statutory Reporting

The Operations Unit is responsible for the regular filing of Government wide statutory reports such as the Ministry of Finance Financial Data Reporting System forms and Employment Return forms. The Unit is also responsible for submitting to the appointed financial auditors updated financial data for quarterly management accounts. Through the CEO, the Operations Unit provided the GRDA Board of Directors with detailed quarterly updates on the financial position and quarterly expenditure of the Authority. It also presented to the Board other details concerning major procurement and HR recruitment.

## ■ Procurement: Calls for Quotations and Tenders

In the year 2021, this Unit issued the following calls for:

- Quotations for the Supply of a Paper Shredders for the GRDA
- Quotation for the Provision of Desktop Publishing Services for the GRDA
- Quotations for the Provision of Billboard Artwork for the GRDA
- Quotations for the Supply of a Mini-Refrigerator for the GRDA
- Quotations for Qualitative Research on Gozo Incentives to Businesses
- Quotations for Audio Visual Services to the GRDA
- Quotations for Event Catering Services to the GRDA
- Quotations for the Supply of a Conference Camera for the GRDA
- Quotations for the Supply of Office Chairs for the GRDA
- Quotations for the Supply of Office Furniture for the GRDA
- Tenders for the Provision of Payroll and Accounting Services to the GRDA
- Tenders for the Leasing of Property to house the GRDA



# Legal & Compliance

The Legal and Compliance Unit manages and supervises functions to ensure compliance in terms of the Legal Act and established internal policies and procedures.

## ■ Policies and Procedures

During 2021, alongside, other units of the GRDA, Legal and Compliance Unit formulated a number of internal policies and procedures to ensure an adequate corporate framework is in place that should enable the smooth running of the Authority as it expands its organisational structure as well as its footprint. The Board of Directors approved four sets of policies and procedures as follows:

- **Disciplinary Policy and Procedure** - This policy establishes the varying degree of breaches and outlines the general principles upon which such breaches should be investigated.
- **Vacation and Sick Leave Policy and Procedure** - Modelled on the Public Service Management Code this policy is a comprehensive document specifying entitlements and obligations of employees.
- **Statutory requirements** - Guidelines were created to ensure the observance of the numerous statutory requirements arising from the GRDA Act.
- **GRDA Ethics Framework** - The Ethics Framework is a policy document that shall guarantee accountability and transparency within the GRDA. Compliance with this ethical framework shall safeguard the Authority's credibility, reputation, integrity, as well as public confidence. This ethics framework brings together ethical standards and implementing procedures to be followed by all the GRDA staff including decision-making and other internal bodies of the Authority.

## ■ Multilateral Cooperation to benefit Infrastructure, Education, and Well-being

During the past year the GRDA entered into a series of cooperation agreements with a number of Maltese and international counterparts. The Authority signed or held discussions with the intent of signing MoUs with the Environment and Resource Authority, the University of Malta and the Malta Trust Foundation.

**Environment and Resources Authority** - A multi-level cooperation agreement providing the GRDA with access to technical studies and models. As part of the cooperation, ERA is committed to provide the GRDA guidance on environmental issues as necessary.

**University of Malta** - In line with its strategy, the GRDA is actively encouraging investment in human resources by increasing studying opportunities of tertiary education in Gozo. The GRDA embarked on a scholarship programme in collaboration with the Gozo Campus by starting with the Bachelor of Commerce study course. This scholarship programme will be expanded in the

coming years by adding new study programmes that have an intrinsic value for Gozo.

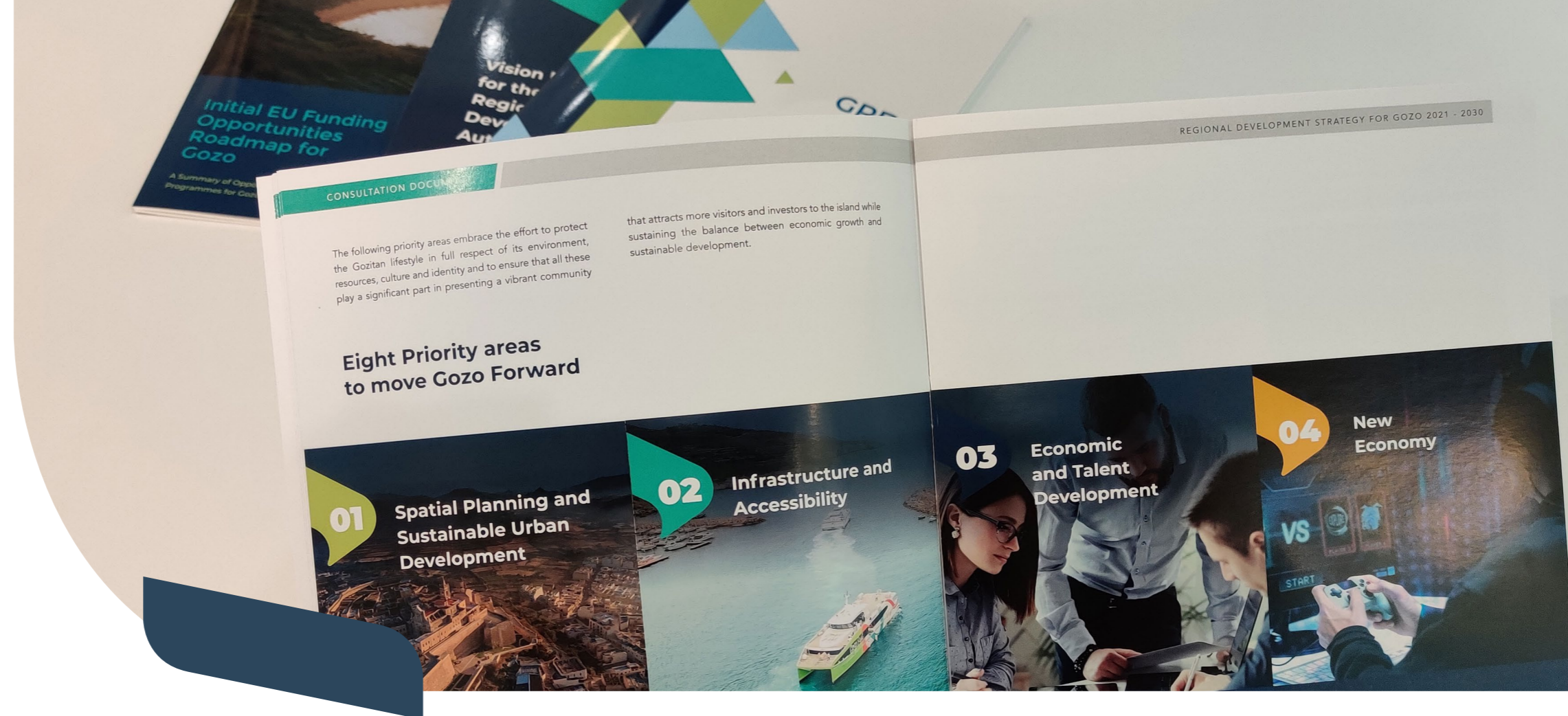
In 2021 the GRDA also engaged in bilateral discussions with the Institute for Islands and Small States (ISSI) on prospective scholarships at MQF Levels 5 to 7. Discussions have also taken place with the Knowledge Transfer Office, the arm with UoM entrusted with the management of University of Malta generated intellectual property, on future collaborative research projects. These discussions are expected to be conclusive in the coming weeks with an MoU and specific agreements defining this collaborative initiative.

**Malta Trust Foundation** - Social development in Gozo is another priority area for the GRDA. It is to provide the necessary support to ensure that the well-being of the present and future generations is safeguarded. In this regard, the GRDA is collaborating with the Malta Trust Foundation by providing the necessary funding to carry out a social study report for the hamlets of Xlendi and Marsalforn in Gozo. The study is intended to indicate which are the most important services to those who have moved to Gozo in the last five years and other socially vulnerable groups. It shall also indicate what measures need to be taken to improve the services these people depend upon.

## ■ EU Funding Opportunities

The GRDA through the Legal and Compliance Unit reached to the Clean Energy for EU islands secretariat, a one-stop-shop for Europe's island communities transitioning to clean energies, to explore ways and means to tap in on EU Funds. Through the collaboration with the EU Islands Secretariat, the Authority is aiming to have support on various issues including access to support documentation for developing clean energy transition agendas and for the financing of decarbonisation plans, capacity-building workshops and webinars and helpdesk support.

The Authority has also applied for an EU funded project within the Horizon Europe Framework Programme, that focuses on research and innovation by teaming parties across Europe. The aim of this proposed Teaming project is to establish the Mediterranean Exa-Scale Computing Algorithmic Laboratory Centre of Excellence (MESCAL) as the first Centre of Excellence to be hosted on the island of Gozo. The Centre of Excellence aims to deploy High Performance Computing (HPC) with the primary aim to deploy it on image processing and machine learning. Through this project the GRDA seeks to engage with other European regions and countries to enable innovative growth and promote research and development in Gozo.



# Communications & Social Dialogue

The Communications and Social Dialogue Unit has a pivotal role to play in the Gozo Regional Development Authority set-up. Acting as the central point of contact, the Unit drives the Authority's internal and external communications, and is responsible for managing public and media relations.

## Digital Communication

During 2021 the Unit developed the GRDA website and maintains full responsibility of its updating. The website enables user navigation with multiple sections providing visibility of the role, functions of and progress made by the Authority. New features and functionality will be implemented during the course of 2022.

The Authority also launched its Facebook, Instagram and LinkedIn accounts to solidify its online presence and target new audiences. The Unit also focused in offering more graphic design support, creating multimedia content, including videos and posters with strong brand recognition. This will continue over the coming months, complementing the Authority's increasing presence on the main social media platforms.

During 2021, the Communications and Social Dialogue Unit produced a number of publications ranging from official documents, consultation and feedback statements to notes and research reports. These publications covered various social, cultural, environmental and economic aspects. All publications are available in digital format and accessible online via the website whilst reducing the Authority's environmental footprint.

## Delegation and Public Events

The Unit is entrusted to oversee the organisation of events held periodically including media briefings, workshops and public meetings. Even though the past year was a challenging one due to the COVID-19 pandemic, the Authority managed to welcome H. E. The President Dr George Vella and his delegation for an official meeting with the GRDA Board of Directors.

Besides, in collaboration with the Building and Construction Authority, the GRDA organised a public meeting to explain the upcoming reform in the building and construction industry with the introduction of the New Building Code which code will lead towards the transformation of the industry in the coming years which will ensure a stronger and more sustainable industry.

The GRDA also welcomed a trade delegation from the UK that visited Gozo. The delegation was made up of UK based companies from the creative, games and film industry. During such visit, matters related to the schemes and measures available to setup shop in Gozo were discussed. The GRDA is committed in exploring different paths in order to attract high-end sustainable jobs in Gozo. On the other hand, the head of delegation, Mr. Dan Licari, expressed his satisfaction at the GRDA's vision in giving priority to such fast-growing sectors.

Other meetings were held throughout the year with various NGO's and individuals that have interest in Gozo's socio economic development. During 2021, the GRDA held meetings with 17 NGOs, 17 Government Entities or representatives, two Maltese representatives of the European Parliament and one international organisation (SMILO).



## Public Consultation on the Gozo Regional Development Strategy for 2021-2030

An important milestone for the GRDA was the launch of a public consultation process on the Gozo Regional Development Strategy for 2021-2030. The launch of the strategy was held on 11<sup>th</sup> July 2021 and the public was invited to contribute to the proposed strategy. The strategy will also serve as a roadmap for any further initiatives that will be undertaken with respect to Gozo for the next 10 years.

Throughout the consultation period, the GRDA solicited input from a broad set of stakeholders, to shape the Gozo Regional Development Strategy 2021-2030. The strategy and consultation process focused on eight key priority areas that are crucial for the future success of Gozo. The eight priority areas covered sustainable tourism, social and rural development, infrastructure and accessibility and new economy amongst others. The Authority will be publishing the final strategy by the first half of 2022.

The external engagement was extensive and included inputs from National Entities, NGOs and other relevant stakeholders with different backgrounds and expertise. The consultation process took place between the 11<sup>th</sup> July and 31<sup>st</sup> August 2021 and was led by the GRDA. Over the course of these weeks, the Authority organised three public meetings, which were held at the Gozo Innovation Hub. Those who were unable to attend these meetings had the opportunity to engage in the consultation process through written contributions.

### Public Consultation meeting organised by the GRDA

DATE	PUBLIC CONSULTATION MEETING
10 <sup>th</sup> August 2021	Youth Public Consultation meeting in collaboration with Aġenzija Żgħażaġh and GUG.
17 <sup>th</sup> August 2021	Public Consultation meeting - held in Maltese.
19 <sup>th</sup> August 2021	Public Consultation meeting - held in English.

A central point of the consultation process was the formation of eight technical working groups. Each working group focused on one of the eight priority areas identified in the Consultation Document. These technical working-groups met between mid-July to the first week of August and around 80 individuals with different backgrounds and expertise participated in these fora. National Entities and NGOs were also involved in these technical working groups. Participants in these working groups engaged in written consultations as well as in contributions during the weekly workshops.

The GRDA also sought feedback from various stakeholders. In fact, the GRDA held over 30 bilateral meetings with Government bodies, NGOs and other relevant stakeholders.

Through this consultation process, the Authority received over 350 ideas, proposals, and suggestions, in relation to the eight priority areas highlighted in the Consultation Document. The feedback includes suggestions on how to enhance and adjust the measures as presented in the Consultation Document. The feedback also includes new suggestions and measures, which were not captured in the Consultation Document.

## International Relations

Over the past year, the GRDA expanded its network and established a relationship with other European counterparts that share the same vision. The GRDA has joined the 'SMILO' Sustainable Islands Network. SMILO is an NGO, governed by French law, with the mission to support small islands that wish to adopt a more sustainable way of managing their territory. SMILO's actions cover various transversal themes such as water, waste management, energy, biodiversity, landscaping, and island heritage. Over 30 island territories are members of the SMILO Network, embracing a spirit of cooperation and solidarity between islands. The network is composed of islands located in Europe, the Mediterranean, Africa, the Indian Ocean, and South-East Asia.

The GRDA also joined 'Greening the Islands', an entity that promotes synergies in the nexus between the three pillars of a green economy: energy, water and mobility.

Through this network, the GRDA can avail itself of the opportunity to participate in international events and seek funding opportunities to finance bespoke projects in Gozo.

# Project Management & Implementation



The main role of the Project Management and Implementation Unit within the GRDA is to own and steward the implementation of projects and programmes within the Regional Development Strategy for Gozo. The Regional Development Strategy targets the current as well as long-term issues of Gozo, ensuring that the island is looked at holistically and enabling the GRDA to propose projects with longer time-frames.

When it comes to managing and overseeing the implementation of projects and programmes, the Project Management and Implementation Unit's role varies considerably in terms of level of involvement in policy coordination, project oversight and direct project management.

The Unit embarked on an initiative to train and certify its members, as well as other GRDA members (who might be involved in project management activities) in a project management methodology that fits within the GRDA's scope of operation.

The GRDA will be entering into formal arrangements with Entities and oversee such projects through Performance Agreements which will govern all aspects concerning a delegated project including the project deliverables, the quality levels, the time-frames of the project and the roles and responsibilities.

## ■ Framework for Performance Agreements

In relation to the above, one of the first initiatives undertaken by the Project Management and Implementation Unit was to draw a Framework for Performance Agreements. The Performance Agreement Framework was based on Schedule 1 of the GRDA Act, which outlines the purposes of the Performance Agreements and essential sections and details to be included.

The Unit was entrusted to research and identify project management methodologies, processes and tools to meet the GRDA's requirements. It is expected that the Authority will be adopting such tools to manage and monitor projects. The Unit designed the Performance Agreement Framework based on the approach selected and the software acquired and would govern the responsibilities and relationship parameters between the GRDA and the implementing Government Entity, as well as detailing the planning, reporting and control framework established between the GRDA and the implementing entity.

## ■ Corporate Plan

A key initiative undertaken by the GRDA was the preparation of a Corporate Plan that delineates how it plans to implement its strategy as described in the Regional Development Strategy. The Corporate Plan sets out the strategic objectives that project the Authority's vision through a set of strategic deliverables. In relation to each of these strategic deliverables that the Authority is committing to achieve, the Corporate Plan, lists the accompanying activities that are expected to be carried out, for which a measure or measures of performance were identified. Through these Key Performance Indicators (KPIs), the Corporate Plan would allow the GRDA to monitor progress in a very focused and pragmatic manner.

## ■ Risk Management

The Project Management and Implementation Unit is responsible for risk management and has a responsibility to support the overall development of a risk-based approach towards the identification and mitigation of risks that could affect the Authority's day-to-day operations, as well as strategic risks. To this effect the Unit is in the process to create a risk register and a risk appetite statement that will be the result of extensive discussions with the Board, the management, employees and stakeholders.

## ■ Regional Impact Assessment System Guidelines

One of the main functions of the GRDA is to ensure that a Regional Impact Assessment Study (RIAS) is carried out whenever a Ministry, Authority, Agency or any other form of Government Entity intends presenting a proposal that would affect Gozo. The RIA study is a requirement that arises from the GRDA Act. The GRDA prepared a non-technical guide based on Schedule II of the GRDA Act to explain the objectives of the RIAS, how it works, when it should be prepared, what factors should be considered and who participates in the RIAS. This document was published as a consultation document in April 2021 and a feedback statement was released in July 2021. Apart from the non-technical guide, the GRDA also developed technical guideline documents to act as a direction for the proponent of a project that could potentially impact Gozo, during the early stages of the RIAS.



# Research & Policy Development

The GRDA is committed to contribute to the development of the region through policy proposals that are extensively researched. To this effect the GRDA can rely on its own Research and Policy Development Unit, which has the brief to carry out and publish research on regional policies, evaluate and comment on policies put forward by Government Ministries and Entities and to follow international developments related to regional policy development.

## ■ Notes and Research

During 2021, the GRDA produced several publications ranging from official documents, consultation and feedback statements to notes and research reports. These publications cover various social, cultural, environmental and economic aspects. All publications are made available in digital format and accessible online via the website which makes it easier searching for content, whilst reducing the Authority's environmental footprint. In total, over the last year, the Authority published three official documents, five feedback statements, two consultation documents and six notes.

## ■ Contributing to Policy Development

The GRDA provided feedback on 22 consultation documents published by various Government Ministries. A list of the feedback provided is being included in this Annual Report. The Authority participated in national and international conferences and stakeholders' meetings. The GRDA participated and shared its opinion and vision for Gozo during the following public events/conferences in 2021:

- GTIe\_Convention2021 by Greening the Islands
- The 4<sup>th</sup> Mediterranean Water Forum by the Energy and Water Agency
- Greening Our Grey: Redefining Urban Spaces by the Planning Authority
- Launch of Consultation document on Malta Economic Vision (A Future-proof Malta) by the Ministry for the Economy and Industry
- National Climate Change Conference by the Ministry for the Environment, Climate Change and Planning

## ■ Exploring Funding Opportunities

The Unit is also actively seeking funding opportunities that can provide an adequate financial platform from which both the GRDA and Gozo can take forward the ambitious targets set out in the Gozo Regional Development Strategy. Since its inception, the Research and Policy Development Unit has been developing its understanding of funding structures offered by the different EU Programmes and developing its network of experts in the EU funding space.

The GRDA commissioned a study about the available EU funded programmes and prepared an EU funding and opportunities roadmap that is directly targeted to the needs of Gozo and aligns with the eight priority areas as defined in the GRDA's Regional Development Strategy consultation document.

The roadmap focuses on the upcoming calls and new programmes being launched, while taking in consideration the complexity of tapping the fund on one side and the available funding on the other. The GRDA will make this roadmap document available so it can be used by other Gozo based entities in pursuing their own initiatives that have the potential to benefit from EU funding.

## ■ Other Research Initiatives

The Authority has also initiated preliminary research with the assistance of an outside consultation on the various incentives in place that offer support to business operation from Gozo. The aim of the exercise is to compile a document that offers visibility of all the schemes in place.



Feedback on Public Consultations

CONSULTATION	MINISTRY/ ENTITY/ ORGANISATION ISSUING CONSULTATION
Social taxonomy	Ministry for Finance and Employment
Sustainable finance platform for an extended EU taxonomy	Ministry for Finance and Employment
National reports on MIPAA/RIS (Madrid International Plan of Action on Ageing and its Regional Implementation Strategy	Ministry for Senior Citizens and Active Ageing and Ministry for Inclusion and Social Wellbeing
Strategic foresight and resilience dashboards	Ministry for Foreign and European Affairs
FDI (Foreign Direct Investment) diffusion channels and SME productivity and innovation	Organisation for Economic Co-operation and Development (OECD)
Air clean enough to be protective of human health, wellbeing and nature	Environment and Resources Authority (ERA)
Initiatives on adults' participation in training	Ministry for Education
EU urban mobility initiative consultation	CRPM Intermediterranean Commission
A quality environment for liveable towns and villages conducive to healthy living	Environment and Resources Authority (ERA)
Responsible and efficient resource use that reflects the real value of raw and waste materials in support of zero waste to landfill	Environment and Resources Authority (ERA)
Conserved and restored biodiversity to sustain ecosystem and their value for the benefit of our nature, people and climate	Environment and Resources Authority (ERA)
Malta economic vision 2021 - 2031	Malta Investment Management Co. Ltd (MIMCOL)
Clean air for wellbeing, healthy humans and thriving nature villages, conducive to healthy living	Environment and Resources Authority (ERA)
National open access policy Malta draft	Ministry for Equality, Research and Innovation (The Malta Council for Science and Technology)
Terms of reference on the closure, aftercare and rehabilitation of landfills and excavation voids 2021	Environment and Resources Authority (ERA)
Malta's foreign policy strategy	Ministry for Foreign and European Affairs
Land resources that sustain natural functions and continued use while increasing resilience to climate change	Environment and Resources Authority (ERA)
Change, enabled and empowered, for the required green transition	Environment and Resources Authority (ERA)
CAP strategic plan 2023 - 2027	Parliamentary Secretariat for European Funds
EU islands and cohesion policy	Committee on Regional Development at the European Parliament
Ecologically diverse, healthy and productive marine waters, capable of supporting sustainable growth	Environment and Resources Authority (ERA)
Sustainable water resources that ensure long term use and support water-dependent ecosystems	Environment and Resources Authority (ERA)

Financial  
Statements

FOR PERIOD ENDING 31<sup>st</sup> DECEMBER 2020

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**Authority Board report**

**For the period ending 31 December 2020**

The members of the Authority Board present their report, together with the audited financial statements for the period ending 31 December 2020.

**Principal activity**

The Gozo Regional Development Authority (GRDA) was officially launched on 14 September 2020. It has as its legal basis Chapter 600 of the Maltese Laws.

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

**Review of business development and financial position**

The financial position of the authority as at 31 December 2020 is disclosed on page 9, while the results for the period under review are disclosed on page 10.

The Authority registered a deficit (after depreciation) of €12,311 for the period ending 31 December 2020.

**Events during the reporting period**

Since early 2020, the world is suffering from a widespread Covid-19 pandemic, resulting in disruptions to businesses worldwide. The uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority’s activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority’s financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

**Future developments**

No changes are envisaged in authority’s operations during the forthcoming year.

**Authority**

The persons responsible for these financial statements are:

- Michael Grech – Chairperson
- Charlene Xerri Gatt – Vice Chairperson
- Mario Borg – Chief Executive Officer
- Marlene Cini – Secretary
- Samuel Azzopardi – Member
- Daniel Borg – Member

**Authority Board report - continued**

**Authority - continued**

- Joe Muscat – Member
- Joseph Borg – Member
- Anthony Bezzina – Member

**Statement of the Authority Board’s responsibilities**

The Authority is governed by a Board consisting of a Chairperson, a Vice Chairperson, a CEO, a secretary, and five members. Their responsibility is to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Authority at the end of each financial period and of the gain or loss for the period then ending. In preparing the financial statements, the Authority:

- Selects suitable accounting policies and applies them consistently;
- Makes judgements and estimates that are reasonable and prudent; and
- Prepares the financial statements on a going concern basis, unless it is appropriate to presume that the Authority will not continue in business

The Authority is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority and to enable it to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Authority is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible to ensure that it establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management consider the risks that the financial statements may be materially misstated as a result of fraud.

**Auditor**

The auditor, Charles Scerri, has intimated his willingness to continue in office. A resolution proposing his re-appointment will be put before the members during the Gozo Regional Development Authority Board Meeting of the month of February, 2022.

Approved by the Authority’s representatives on 11 February 2022 and signed on its behalf by:



**Michael Grech**  
Chairperson



**Mario Borg**  
Chief Executive Officer

Registered office:  
Gozo Regional Development Authority,  
Innovation Hub GGX204  
Xewkija Industrial Estate,  
Xewkija XWK 3000  
Gozo

CHARLES SCERRI

**INDEPENDENT AUDITOR’S REPORT**

To the Members of Gozo Regional Development Authority

*Report on the audit of the financial statements*

*Opinion*

In my opinion:

- Gozo Regional Development Authority’s financial statements (the “financial statements”) give a true and fair view of the Authority’s financial position as at 31 December 2020, and of the Authority’s financial performance for the period then ending in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

**What I have audited**

Gozo Regional Development Authority’s financial statements, set out on pages 9 to 25, comprise of:

- the Statement of financial position as at 31 December 2020;
- the Income statement for the Authority;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the Notes to the financial statements, which include a summary of significant accounting policies.

*Basis for Opinion*

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Independence**

I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to my audit of the financial statements in Malta. I have fulfilled my other ethical responsibilities in accordance with these Codes.

# CHARLES SCERRI

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Gozo Regional Development Authority

### *Other information*

The Board Members are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, including the Board Members' report.

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

With respect to the Board Members' report, I considered whether the Board Members' report includes the disclosures required by the Gozo Regional Development Authority Act (cap. 600).

Based on the work I have performed, in my opinion:

- the information given in the Board Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board Members' report has been prepared in accordance with the Gozo Regional Development Authority Act (Cap. 600).

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Board Members' report and other information. I have nothing to report in this regard.

### *Responsibilities of the Board Members for the financial statements*

The Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the of the Gozo Regional Development Authority Act (Cap.600) for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the Board Members are responsible for assessing the Authority'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 members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

# CHARLES SCERRI

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Gozo Regional Development Authority

### *Auditor's responsibility for the audit of the financial statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' 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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the authority's trade, customers and suppliers, and the disruption to its business and the overall economy.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

# CHARLES SCERRI

## INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

### Report on other Legal and Regulatory Requirements

I also have responsibilities under the Gozo Regional Development Act (Cap.600) to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for the audit.

I have nothing to report to you in respect of these responsibilities.



**Charles Scerri**  
**Certified Public Accountant**

The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425

11 February 2022

Gozo Regional Development Authority  
Annual Report and Financial Statements - 31 December 2020

## Statement of financial position

		As at 31 December
	Notes	2020 €
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	<b>14,566</b>
<b>Current assets</b>		
Trade and other receivables	4	<b>967</b>
<b>Total assets</b>		<b>15,533</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Accumulated deficit		<b>(12,311)</b>
<b>Total equity</b>		<b>(12,311)</b>
<b>Current liabilities</b>		
Trade and other payables	5	<b>27,844</b>
<b>Total liabilities</b>		<b>27,844</b>
<b>Total equity and liabilities</b>		<b>15,533</b>

The notes on pages 13 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were authorised for issue by the board members on 11 February 2022 and were signed by:



**Michael Grech**  
**Chairperson**



**Mario Borg**  
**Chief Executive Officer**

## Income statement

	Notes	Period from 14 September 2020 to 31 December 2020 €
Revenue	7	56,325
Administration expenses	8	(68,636)
<b>Deficit for the period</b>		<b>(12,311)</b>

The notes on pages 13 to 22 form an integral part of these financial statements.

## Statement of changes in equity

	Accumulated reserve €
As at 14 September 2020	-
Deficit for the period	(12,311)
<b>As at 31 December 2020</b>	<b>(12,311)</b>

## Statement of cash flows

	As at 31 December 2020 €
<b>Cash flows from operating activities</b>	
Deficit for the period	(12,311)
Add back:	
Depreciation	2,610
Movements in working capital:	
Trade and other receivables	(967)
Trade and other payables	27,844
<b>Net cash generated from operating activities</b>	<b>17,176</b>
<b>Cash flows from investing activities</b>	
Acquisition of property, plant and equipment	(17,176)
<b>Net cash used in investing activities</b>	<b>(17,176)</b>
Movement in cash and cash equivalents	-
<b>Cash and cash equivalents at the end of the period</b>	<b>-</b>

## Notes to the financial statements

### 1 Summary of significant accounting policies

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

#### 1.1 Basis of preparation

##### Statement of compliance

These financial statements have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRSs) with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

The financial statements have been prepared on a going concern basis. The Chief Executive Officer has assessed that the authority is expected to have the necessary funds to finance its operations and commitments towards employees, creditors and banks. Accordingly, the Chief Executive Officer continues to adopt the going concern basis in preparing the authority's financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the authority to continue operating as a going concern.

##### Covid-19

Since early 2020, the world is experiencing an unprecedented crisis caused by the COVID-19 pandemic. The Authority considers the effects of the COVID-19 outbreak as the only relevant event arising during the reporting date. Whilst this is a non-adjusting balance sheet event, the uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

These financial statements have been prepared under the historical cost convention.

#### 1.2 Foreign currency translation

##### (a) Functional and presentation currency

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

##### (b) Transactions and balances

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

### 1 Summary of significant accounting policies - continued

#### 1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 1.4 Financial assets and liabilities

##### 1.4.1 Recognition, initial measurement and derecognition of financial assets

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All purchases and sales of investments are recognised on the trade date, which is the date that the Authority commits to purchase or sell the assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership.

##### 1.4.2 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Authority classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Investments in debt instruments are classified at fair value through other comprehensive income (FVOCI) only if the contractual cash flows are solely principal and interest and the objective of the Authority's business model is achieved both by collecting contractual cash flows and selling financial assets.

# **1 Summary of significant accounting policies - continued**

## **1.4 Financial assets and liabilities - continued**

### **1.4.2 Classification of financial assets - continued**

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Business model assessment*

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

# **1 Summary of significant accounting policies - continued**

## **1.4 Financial assets and liabilities - continued**

### **1.4.2 Classification of financial assets - continued**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### **1.4.3 Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### **1.4.4 Impairment of financial assets**

The Authority recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI to which the Authority is exposed. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.4 Impairment of financial assets - continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment and including forward-looking information.

The Authority assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Authority considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally-understood definition of 'investment grade'. The Authority considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

#### *Measurement of ECL*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Authority assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Authority on terms that the Authority would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.4 Impairment of financial assets - continued

#### *Presentation of allowance for EGL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For each of its financial assets that subject the Authority to credit risk, it makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Authority expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Authority's procedures for recovery of amounts due.

#### 1.4.5 Financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Authority having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

### 1.5 Property, plant, and equipment

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

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

## 1 Summary of significant accounting policies - continued

### 1.5 Property, plant, and equipment - continued

Depreciation on other assets is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Furniture & fittings	10
Computer equipment	25

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour and a proportion of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

### 1.7 Trade and other receivables

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

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

### 1.8 Cash and cash equivalents

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

### 1.9 Share capital

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

## 1 Summary of significant accounting policies - continued

### 1.10 Financial liabilities

The authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The authority's financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost. The authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

### 1.11 Trade and other payables

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

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

### 1.12 Offsetting financial instruments

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

### 1.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable by the Authority for services provided. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the Income Statement on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

1 Summary of significant accounting policies - continued

1.13 Revenue recognition - continued

- Government grants and EU grants related to assets are presented in the Statement of Financial Position by setting up the grant as deferred income and is recognised in the Income Statement on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the Income Statement in the year in which they become receivable.

2 Financial risk management

2.1 Financial risk factors

The Authority is exposed to a variety of financial risks: market risk (cash flow and fair value interest rate risk), credit risk and liquidity risk. The Authority's risk management is coordinated by the Chief Executive Officer and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risk.

(a) Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting date, as summarised below. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2020
	€
Classes of financial assets – carrying amounts	
Trade and other receivables (Note 4)	967

The Authority applies the low credit risk simplification for all instruments that are externally rated at a rating of BBB- (or equivalent) or better; and the EGL provision for these instruments is accordingly measured at an amount equivalent to the 12-month ECLs. The Authority thus applies the simplification for its bank deposits.

(c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 8). Prudent liquidity risk management includes maintaining sufficient cash reserves to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

The Authority monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments and commitments.

2 Financial risk management - continued

2.2 Capital risk management

The Authority's equity, which constitutes its capital base, is disclosed in the statement of financial position. The Authority's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

2.3 Fair values of financial instruments

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

2.4 Critical accounting estimates and judgements

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

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

### 3 Property, plant and equipment

	Furniture & fittings €	Computer equipment €	Total €
<b>Cost</b>			
Additions	11,228	5,948	17,176
As at 31 December 2020	11,228	5,948	17,176
<b>Depreciation</b>			
Charge for the period	1,123	1,487	2,610
As at 31 December 2020	1,123	1,487	2,610
<b>Net book value as at 31 December 2020</b>	<b>10,105</b>	<b>4,461</b>	<b>14,566</b>

### 4 Trade and other receivables

	2020 €
Prepayments	967

### 5 Trade and other payables

	2020 €
Trade payables	13,704
Accruals	14,140
	<b>27,844</b>

### 6 Taxation

With reference to the Gozo Regional Development Authority Act, Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

### 7 Revenue

	Period from 14 September to 31 December 2020 €
Government appropriation	56,325

### 8 Expenses for the period

	Period from 14 September to 31 December 2020 €
Audit fee	1,770
Depreciation	2,610
Wages and salaries	28,219

Staff costs incurred during the period are analysed as follows:

	Period from 14 September to 31 December 2020 €
Board members' remuneration	9,223
Wages and salaries	18,996
	<b>28,219</b>

The average number of persons employed during the period, including board members was made up as follows:

	2020 No
Board members	8
Operations	2
	<b>10</b>

### 9 Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is Gozo Regional Development Authority, Innovation Hub GGX204, Xewkija Industrial Estate, Xewkija XWK 3000, Gozo.

## Detailed income statement

	Period from 14 September to 31 December 2020
	€
<b>Revenue</b>	<b>56,325</b>
<b>Administrative expenses</b>	
Advertising (website)	3,378
Audit fees	1,770
Computer-related expenses	947
Consultancy fees	1,416
Depreciation	2,610
Encroachment fees	1,746
Insurance	190
Professional fees	20,080
Rental expense	3,368
Salaries and wages	28,219
Staff welfare	523
Stationery	2,197
Telephone expenses	826
Water and electricity	1,366
	<b>(68,636)</b>
Deficit for the period	<b>(12,311)</b>

# Financial Statements

FOR PERIOD ENDING 31<sup>st</sup> DECEMBER 2021

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**Authority Board report**

**For the year ended 31 December 2021**

The members of the Authority Board present their report, together with the audited financial statements for the year ended 31 December 2021.

**Principal activity**

The Gozo Regional Development Authority (GRDA) was officially launched on 14 September 2020. It has as its legal basis Chapter 600 of the Maltese Laws.

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

**Review of business development and financial position**

The financial position of the authority as at 31 December 2021 is disclosed on page 9, while the results for the year under review are disclosed on page 10.

The Authority registered a surplus (after depreciation) of €16,914 for the year ended 31 December 2021.

**Events during the reporting year**

Since early 2020, the world is suffering from a widespread Covid-19 pandemic, resulting in disruptions to businesses worldwide. The uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

**Future developments**

No changes are envisaged in the authority's operations during the forthcoming year.

**Authority**

The persons responsible for these financial statements are:

Michael Grech – Chairperson  
Charlene Xerri Gatt – Vice Chairperson  
Mario Borg – Chief Executive Officer  
Marlene Cini – Secretary  
Samuel Azzopardi – Member  
Daniel Borg – Member

**Authority Board report - continued**

**Authority - continued**

Joe Muscat – Member  
Joseph Borg – Member  
Anthony Bezzina – Member

**Statement of the Authority Board's responsibilities**

The Authority is governed by a Board consisting of a Chairperson, a Vice Chairperson, a CEO, a secretary, and five members. Their responsibility is to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Authority at the end of each financial year and of the gain or loss for the year then ended. In preparing the financial statements, the Authority:

- Selects suitable accounting policies and applies them consistently;
- Makes judgements and estimates that are reasonable and prudent; and
- Prepares the financial statements on a going concern basis, unless it is appropriate to presume that the Authority will not continue in business

The Authority is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority and to enable it to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Authority is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible to ensure that it establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management consider the risks that the financial statements may be materially misstated as a result of fraud.

**Auditor**

The auditor, Charles Scerri, has intimated his willingness to continue in office. A resolution proposing his re-appointment will be put before the members during the Gozo Regional Development Authority Board Meeting of the month of March, 2022.

Approved by the Authority’s representatives on 10 March 2022 and signed on its behalf by:



**Michael Grech**  
Chairperson



**Mario Borg**  
Chief Executive Officer

Registered office:  
Gozo Regional Development Authority,  
Innovation Hub GGX204  
Xewkija Industrial Estate,  
Xewkija XWK 3000  
Gozo

CHARLES SCERRI

**INDEPENDENT AUDITOR’S REPORT**  
To the Members of Gozo Regional Development Authority

*Report on the audit of the financial statements*

*Opinion*

In my opinion:

- Gozo Regional Development Authority’s financial statements (the “financial statements”) give a true and fair view of the Authority’s financial position as at 31 December 2021, and of the Authority’s financial performance for the year then ended in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

**What I have audited**

Gozo Regional Development Authority’s financial statements, set out on pages 9 to 26, comprise of:

- the Statement of financial position as at 31 December 2021;
- the Income statement for the Authority;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the Notes to the financial statements, which include a summary of significant accounting policies.

*Basis for Opinion*

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Independence**

I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to my audit of the financial statements in Malta. I have fulfilled my other ethical responsibilities in accordance with these Codes.

# CHARLES SCERRI

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Gozo Regional Development Authority

### *Other information*

The Board Members are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, including the Board Members' report.

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

With respect to the Board Members' report, I considered whether the Board Members' report includes the disclosures required by the Gozo Regional Development Authority Act (cap. 600).

Based on the work I have performed, in my opinion:

- the information given in the Board Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board Members' report has been prepared in accordance with the Gozo Regional Development Authority Act (Cap. 600).

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Board Members' report and other information. I have nothing to report in this regard.

### *Responsibilities of the Board Members for the financial statements*

The Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the of the Gozo Regional Development Authority Act (Cap.600) for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the Board Members are responsible for assessing the Authority'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 members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

# CHARLES SCERRI

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Gozo Regional Development Authority

### *Auditor's responsibility for the audit of the financial statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' 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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the authority's trade, customers and suppliers, and the disruption to its business and the overall economy.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

### Report on other Legal and Regulatory Requirements

I also have responsibilities under the Gozo Regional Development Act (Cap.600) to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for the audit.

I have nothing to report to you in respect of these responsibilities.



**Charles Scerri**

**Certified Public Accountant**

The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425

10 March 2022

## Statement of financial position

	Notes	As at 31 December	
		2021 €	2020 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<b>18,640</b>	14,566
<b>Total non-current assets</b>		<b>18,640</b>	14,566
<b>Current assets</b>			
Trade and other receivables	4	<b>4,846</b>	967
Cash and cash equivalents	5	<b>1,317</b>	-
<b>Total current assets</b>		<b>6,163</b>	967
<b>Total assets</b>		<b>24,803</b>	15,533
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated surplus/(deficit)		<b>4,603</b>	(12,311)
<b>Total equity</b>		<b>4,603</b>	(12,311)
<b>Current liabilities</b>			
Trade and other payables	6	<b>20,200</b>	27,844
<b>Total liabilities</b>		<b>20,200</b>	27,844
<b>Total equity and liabilities</b>		<b>24,803</b>	15,533

The notes on pages 13 to 26 are an integral part of these financial statements.

The financial statements on pages 9 to 26 were authorised for issue by the board members on 10 March 2022 and were signed by:



Michael Grech  
Chairperson



Mario Borg  
Chief Executive Officer

## Income statement

		Year ended 31 December	Period from 14 September to 31 December
	Notes	2021 €	2020 €
Revenue	8	479,754	56,325
Administration expenses	9	(462,840)	(68,636)
<b>Surplus/(deficit) for the year/period</b>		<b>16,914</b>	<b>(12,311)</b>

The notes on pages 13 to 26 form an integral part of these financial statements.

## Statement of changes in equity

	Accumulated reserve €
As at 1 January 2021	(12,311)
Surplus for the year	16,914
<b>As at 31 December 2021</b>	<b>4,603</b>
As at 14 September 2020	-
Deficit for the period	(12,311)
As at 31 December 2020	(12,311)

## Statement of cash flows

	Note	As at 31 December	
		2021 €	2020 €
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year/period		<b>16,914</b>	(12,311)
Add back:			
Depreciation		<b>4,838</b>	2,610
Movements in working capital:			
Trade and other receivables		<b>(3,879)</b>	(967)
Trade and other payables		<b>(7,644)</b>	27,844
<b>Net cash generated from operating activities</b>		<b>10,229</b>	17,176
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<b>(8,912)</b>	(17,176)
<b>Net cash used in investing activities</b>		<b>(8,912)</b>	(17,176)
Movement in cash and cash equivalents		<b>1,317</b>	-
Cash and cash equivalents at the beginning of the year/period		-	-
<b>Cash and cash equivalents at the end of the year/period</b>	5	<b>1,317</b>	-

## Notes to the financial statements

### 1 Summary of significant accounting policies

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

#### 1.1 Basis of preparation

These financial statements have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRSs) with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

The financial statements have been prepared on a going concern basis. The Chief Executive Officer has assessed that the authority is expected to have the necessary funds to finance its operations and commitments towards employees, creditors and banks. Accordingly, the Chief Executive Officer continues to adopt the going concern basis in preparing the authority's financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the authority to continue operating as a going concern.

#### Covid-19

Since early 2020, the world is experiencing an unprecedented crisis caused by the COVID-19 pandemic. The Authority considers the effects of the COVID-19 outbreak as the only relevant event arising during the reporting date. Whilst this is a non-adjusting balance sheet event, the uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

These financial statements have been prepared under the historical cost convention.

#### 1.2 Foreign currency translation

##### (a) Functional and presentation currency

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

##### (b) Transactions and balances

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

## 1 Summary of significant accounting policies - continued

### 1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 1.4 Financial assets and liabilities

#### 1.4.1 Recognition, initial measurement and derecognition of financial assets

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All purchases and sales of investments are recognised on the trade date, which is the date that the Authority commits to purchase or sell the assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership.

#### 1.4.2 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Authority classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.2 Classification of financial assets - continued

Investments in debt instruments are classified at fair value through other comprehensive income (FVOCI) only if the contractual cash flows are solely principal and interest and the objective of the Authority's business model is achieved both by collecting contractual cash flows and selling financial assets.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Business model assessment*

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.2 Classification of financial assets - continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### 1.4.3 Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### 1.4.4 Impairment of financial assets

The Authority recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI to which the Authority is exposed. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.4 Impairment of financial assets - continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment and including forward-looking information.

The Authority assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Authority considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally-understood definition of 'investment grade'. The Authority considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

#### *Measurement of ECL*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Authority assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Authority on terms that the Authority would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

## 1 Summary of significant accounting policies - continued

### 1.4 Financial assets and liabilities - continued

#### 1.4.4 Impairment of financial assets - continued

##### *Presentation of allowance for EGL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

##### *Write-off*

The gross carrying amount of a financial asset is written off when the Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For each of its financial assets that subject the Authority to credit risk, it makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Authority expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Authority's procedures for recovery of amounts due.

#### 1.4.5 Financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Authority having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

### 1.5 Property, plant, and equipment

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

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

## 1 Summary of significant accounting policies - continued

### 1.5 Property, plant, and equipment - continued

Depreciation on other assets is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Furniture & fittings	10
Computer equipment	25
Computer software	25

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour and a proportion of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

### 1.7 Trade and other receivables

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

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

### 1.8 Cash and cash equivalents

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

### 1.9 Share capital

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

## 1 Summary of significant accounting policies - continued

### 1.10 Financial liabilities

The authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The authority's financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost. The authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

### 1.11 Trade and other payables

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

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

### 1.12 Offsetting financial instruments

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

### 1.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable by the Authority for services provided. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the Income Statement on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

## 1 Summary of significant accounting policies - continued

### 1.13 Revenue recognition

- Government grants and EU grants related to assets are presented in the Statement of Financial Position by setting up the grant as deferred income and is recognised in the Income Statement on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the Income Statement in the year in which they become receivable.

## 2 Financial risk management

### 2.1 Financial risk factors

The Authority is exposed to a variety of financial risks: market risk (cash flow and fair value interest rate risk), credit risk and liquidity risk. The Authority's risk management is coordinated by the Chief Executive Officer and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risk.

#### (a) Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

#### (b) Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting date, as summarised below. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2021	2020
	€	€
Classes of financial assets – carrying amounts		
Trade and other receivables (Note 4)	4,846	967
Cash and cash equivalents (Note 5)	1,317	-
	<b>6,163</b>	<b>967</b>

The Authority applies the low credit risk simplification for all instruments that are externally rated at a rating of BBB- (or equivalent) or better; and the EGL provision for these instruments is accordingly measured at an amount equivalent to the 12-month ECLs. The Authority thus applies the simplification for its bank deposits.

#### (c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 8). Prudent liquidity risk management includes maintaining sufficient cash reserves to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

## 2 Financial risk management - continued

### 2.1 Financial risk factors - continued

The Authority monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments and commitments.

### 2.2 Capital risk management

The Authority's equity, which constitutes its capital base, is disclosed in the statement of financial position. The Authority's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

### 2.3 Fair values of financial instruments

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

### 2.4 Critical accounting estimates and judgements

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

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

## 3 Property, plant and equipment

	Furniture & fittings €	Computer equipment €	Computer software €	Total €
<b>Cost</b>				
As at 1 January 2021	11,228	5,948	-	17,176
Additions	-	5,818	3,094	8,912
As at 31 December 2021	11,228	11,766	3,094	26,088
<b>Depreciation</b>				
As at 1 January 2021	1,123	1,487	-	2,610
Charge for the year	1,123	2,941	774	4,838
As at 31 December 2021	2,246	4,428	774	7,448
<b>Net book value as at 31 December 2021</b>	<b>8,982</b>	<b>7,338</b>	<b>2,320</b>	<b>18,640</b>
Net book value as at 31 December 2020	10,105	4,461	-	14,566

## 4 Trade and other receivables

	2021 €	2020 €
Prepayments	4,846	967

## 5 Cash and cash equivalents

	2021 €	2020 €
Cash at bank	1,317	-

## 6 Trade and other payables

	2021 €	2020 €
Trade payables	16,660	13,704
Accruals	3,540	14,140
	<b>20,200</b>	<b>27,844</b>

## 7 Taxation

With reference to the Gozo Regional Development Authority Act, Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

## 8 Revenue

	Period from 14 September to 31 December 2020	
	Year ended 31 December 2021	2020
	€	€
Government appropriation	<b>479,754</b>	56,325

## 9 Expenses for the year

	Period from 14 September to 31 December 2020	
	Year ended 31 December 2021	2020
	€	€
Audit fee	<b>1,770</b>	1,770
Depreciation	<b>4,838</b>	2,610
Wages and salaries	<b>221,873</b>	28,219

Staff costs incurred during the year are analysed as follows:

	Period from 14 September to 31 December 2020	
	Year ended 31 December 2021	2020
	€	€
Board members' remuneration	<b>39,158</b>	9,223
Wages - Regular	<b>182,715</b>	18,996
	<b>221,873</b>	28,219

The average number of persons employed during the year, including board members was made up as follows:

	2021 No	2020 No
Board members	<b>8</b>	8
Operations	<b>5</b>	2
	<b>13</b>	10

## 10 Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is Gozo Regional Development Authority, Innovation Hub GGX204, Xewkija Industrial Estate, Xewkija XWK 3000, Gozo.

## Detailed income statement

	Year ended 31 December	Period from 14 September to 31 December
	2021 €	2020 €
<b>Revenue</b>	<b>479,754</b>	56,325
<b>Administrative expenses</b>		
Accountancy services	8,708	-
Advertising	54,577	3,378
Audit fees	1,770	1,770
Bank charges	394	-
Cleaning materials and supplies	991	-
Computer-relates expenses	9,007	947
Consultancy fees	21,818	1,416
Depreciation	4,838	2,610
Directors remuneration	39,158	9,223
Encroachment fees	14,620	-
Entertainment	2,982	-
Equipment rental	2,220	-
Fuel costs	86	-
Inhouse training	5,386	-
Insurance	5,962	190
Licences and fees	3,865	-
Professional fees	61,849	20,080
Rental expense	28,196	3,368
Salaries and wages	182,715	18,996
Sponsorships	3,500	-
Staff welfare	975	523
Stationery	6,452	2,197
Subscriptions	1,337	-
Telephone expenses	401	826
Water and electricity	1,033	1,366
	<b>(462,840)</b>	(68,636)
Surplus/(deficit) for the year/period	<b>16,914</b>	(12,311)



**GOZO REGIONAL**  
DEVELOPMENT AUTHORITY

Gozo Regional Development Authority,  
Innovation Hub, Xewkija, Gozo, Malta

**Tel:** +356 2215 6333

**Email:** [info@grda.mt](mailto:info@grda.mt)

**[www.grda.mt](http://www.grda.mt)**