

# Gibraltar Investor Compensation Scheme

REPORT AND FINANCIAL STATEMENTS

31 December 2014

# Gibraltar Investor Compensation Scheme

## DIRECTORS, OFFICERS AND OTHER INFORMATION

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### BOARD MEMBERS

Marcus Killick	(Chairman resigned 14 February 2014)
Samantha Barrass	(appointed 17 February 2014)
Heidi Bocarisa	(resigned 4 October 2014)
Joanne Beiso	(appointed 5 October 2014)
Lindsey Brown	(appointed 16 January 2014)
Mark Dellipiani	(appointed 23 January 2014)
Melo Triay	
Raymond Joubaud	
Emma Perez	(resigned 4 October 2014)
Colin Vaughan	(resigned 4 October 2014)
Christian Garcia	(appointed 5 October 2014)
Ian Collinson	(appointed 5 October 2014)

### ALTERNATES

Moe Cohen	
James Lasry	
Desiree McHard	
Kenneth Navas	
Derek Sene	
Seamus Hayes	(appointed 5 October 2014)

### SECRETARY

Tamara Viagas-Ozdemir (Financial Services Commission)

### AUDITORS

EY Limited  
Chartered Accountants  
Regal House  
Queensway  
Gibraltar

### BANKERS

NatWest  
57/63 Line Wall Road  
Gibraltar

### LEGAL ADVISERS

Triay Stagnetto Neish  
Burns House  
19 Town Range  
Gibraltar

# Gibraltar Investor Compensation Scheme

## CHAIRMAN'S REPORT

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I have the pleasure in presenting the Annual report of the Gibraltar Investor Compensation Scheme for the year ended 31 December 2014.

This report is made in accordance with Section 6 of the Financial Services (Investor Compensation Scheme) Act 2002 (the Act).

There have been no cases in 2014 that have caused the Scheme to be triggered or that have required action on the part of the Board.

The Board opted to retain the scheme's insurance cover, which will become payable when a participant is declared in default as prescribed by the Act. The level of cover stands at 2.5 million Euros.

The Board continues to monitor developments at EU level in respect of proposed changes to the Investor Compensation Scheme Directive and evaluate the effect that such amendments will have on GICS and its members.

The Board will continue to work with Government, industry and other stakeholders to ensure the operation of the scheme remains efficient, effective and appropriate for Gibraltar.

Details of the current Board are provided in the financial statements.



Samantha Barrass  
Chairman

Date: 2... October... 2015

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GIBRALTAR INVESTOR COMPENSATION BOARD**

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This report is made solely to the Board's members, as a body, in accordance with section 4 (9) of the Investor Compensation Scheme Act. Our audit work has been undertaken so that we might state to the Board's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board and the Board's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on the Financial Statements**

We have audited the financial statements of the Gibraltar Investor Compensation Scheme for the year ended 31 December 2014 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Board members' responsibilities**

The Board members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Investor Compensation Scheme Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibilities**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board members, as well as evaluating the overall presentation of the financial statements.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GIBRALTAR INVESTOR COMPENSATION BOARD (continued)**

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**Opinion**

In our opinion, the financial statements give a true and fair view, in accordance with the Investor Compensation Scheme Act, of the state of the Scheme's affairs as at 31 December 2014 and of its results for the year then ended.

**Report on other Legal and Regulatory Requirements**

In addition to reporting on the financial statements, the Investor Compensation Scheme Act also requires us to report to you our opinion as to whether:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (b) proper accounting records have been kept by the Board; and
- (c) the Board's balance sheet and accounts dealt with by this report are in agreement with the books of account.

**Opinion**

In our opinion:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (b) proper accounting records have been kept by the Board; and
- (c) the Board's balance sheet and accounts dealt with by this report are in agreement with the books of account.



Jose Julio Pisharello  
Statutory Auditor for and on behalf of

**EY LIMITED**  
Registered Auditors

Chartered Accountants  
Regal House  
Queensway  
Gibraltar

Date: .....

10<sup>th</sup> October 2015

**Gibraltar Investor Compensation Scheme**  
**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 December 2014

	<i>Notes</i>	2014 £	2013 £
<b>INCOME</b>			
Levies receivable from scheme participants		226,843	246,383
Bank interest		1,200	1,652
Other income		-	1,425
		<u>228,043</u>	<u>249,460</u>
<b>EXPENDITURE</b>			
Audit fee		1,000	500
Secretarial fee		5,000	5,000
Consultancy fees		-	5,000
Bank charges		166	232
Internet fees		150	150
Insurance		215,661	241,229
Entertainment		-	150
Amounts written off		723	-
		<u>222,700</u>	<u>252,261</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR (TAKEN TO ADMINISTRATION FUND)</b>	4	<u>5,343</u>	<u>(2,801)</u>

There are no recognised gains or losses other than as disclosed above.

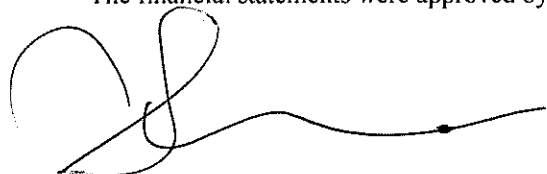
# Gibraltar Investor Compensation Scheme

## BALANCE SHEET

at 31 December 2014

	Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>			
Debtors	2	41,267	75,470
Cash at bank		111,646	109,816
		<u>152,913</u>	<u>185,286</u>
<b>CREDITORS: amounts due within one year</b>	3	(40,797)	(78,513)
<b>NET ASSETS</b>		<u>112,116</u>	<u>106,773</u>
<b>ADMINISTRATION FUND</b>	4	<u>112,116</u>	<u>106,773</u>

The financial statements were approved by the Board on *10<sup>th</sup> October 2015* and signed on their behalf by:



Samantha Barrass  
*Chairman*  
Gibraltar Investor Compensation Scheme

The following notes form part of these financial statements.

# Gibraltar Investor Compensation Scheme

## PRINCIPAL ACCOUNTING POLICIES

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### **BASIS OF ACCOUNTING**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements.

### **ACCOUNTING CONVENTION**

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

### **INCOME**

Levies receivable from scheme participants are determined by the Board and fund general administration expenses and the insurance premium. The levies are accounted for on an accruals basis.

Bank interest receivable is accounted for on an accruals basis.



# Gibraltar Investor Compensation Scheme

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

### 1. TAXATION

Under the provisions of the Investor Compensation Scheme Act, the income of the Scheme is exempt from income tax.

### 2. DEBTORS

	<i>2014</i>	<i>2013</i>
	£	£
Amounts due from scheme participants	-	1,087
Prepaid insurance	40,067	73,189
Interest accrued	1,200	1,194
	<u>41,267</u>	<u>75,470</u>

### 3. CREDITORS: amounts due within one year

	<i>2014</i>	<i>2013</i>
	£	£
Deferred income	34,797	73,013
Audit fee	1,000	500
Secretarial fee	5,000	5,000
	<u>40,797</u>	<u>78,513</u>

### 4. ADMINISTRATION FUND

	<i>2014</i>	<i>2013</i>
	£	£
At 1 January 2014	106,773	109,574
Surplus/(deficit) for the year	5,343	(2,801)
At 31 December 2014	<u>112,116</u>	<u>106,773</u>