INVESTOR COMPENSATION SCHEME

Annual Report
and
Financial Statements

31 December 2008

CONTENTS

GENERAL INFORMATION

The Investor Compensation Scheme was established by virtue of the Investor Compensation Scheme Regulations, Legal Notice 368 of 2003 (amended) of the Laws of Malta.

MEMBERS OF THE MANAGEMENT COMMITTEE

Dr A Felice (Chairman)
Mr B Borg Bonello
Mr G Farrugia
Mr K Farrugia
Prof. A Muscat
Mr R Saliba
Dr M Vella

COMMITTEE'S SECRETARY

Mr G Bezzina

HEAD OFFICE

c/o Malta Financial Services Authority
Notabile Road
Attard BKR 3000
Malta

INVESTMENT MANAGERS

Central Bank of Malta
Pjazza Kastilja
Valletta VLT 1060
Malta

BANKERS

Central Bank of Malta
Pjazza Kastilja
Valletta VLT 1060
Malta

AUDITORS

Ernst & Young
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
MALTA

REPORT OF THE MANAGEMENT COMMITTEE OF THE SCHEME

The Management Committee of the Scheme submit their annual report together with the audited financial statements for the year ended 31 December 2008.

Principal activity

The Investor Compensation Scheme (the "Scheme") was established by virtue of the Investor Compensation Scheme Regulations (the "Regulations"), Legal Notice 368 of 2003 (amended) of the Laws of Malta for the purposes of carrying out the functions defined in the said Regulations.

The main objective of the Scheme is to provide a means of protection for investors within the framework of the Regulations. The Scheme maintains a fund out of which payments will be made to investors where it appears that a participant to such Scheme is unable, for reasons directly related to its financial circumstances to meet its obligations arising from claims by its investors.

Results

The results are shown in the income statement, set out on page 6.

Members of the Management Committee

The Members who served during the year under review were as noted on page 2.

In accordance with Regulation 3 of the Regulations, the Scheme is managed and administered by the Management Committee. Such committee is appointed by the Malta Financial Services Authority for a maximum period of not less than three years but not more than five years. Every member of the Committee shall be eligible for re-appointment.

Statement of committee members' responsiblities

The committee members are required by the Investor Scheme Regulations, Legal Notice 368 of 2003 (amended) of the Laws of Malta to prepare financial statements which give a true and fair view of the state of affairs of the Scheme as at the end of each financial year and of the income and expenditure for that year.

The Committee members are responsible for ensuring that:-

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU, subject to any material departures disclosed and explained therein;
- the financial statements are prepared on the basis that the Scheme must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting period, irrespective of the date of receipt or payment.

The committee members are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud and error, and that comply with the Investor Compensation Scheme Regulations, Legal Notice 368 of 2003 (amended) of the Laws of Malta. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE MANAGEMENT COMMITTEE OF THE SCHEME - continued

Auditors

Ernst & Young have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the board member's meeting.

The report of the Management Committee was approved and signed on their behalf by:

Antonfelice

DR. ANTON FELICE
Chairman

GEORGE FARRUGIA
Member

c/o Malta Financial Services Authority
Notabile Road
Attard BKR 3000
Malta

26 June 2009

Ernst & Young
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVESTOR COMPENSATION SCHEME

We have audited the financial statements of Investor Compensation Scheme ("the Scheme"), set on pages 6 to 17, which comprise the balance sheet as at 31 December 2008 and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. 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.

Auditors' Responsibility

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 auditors' judgement, 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 for 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 committee, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with Legal Notice 368 of 2003 (amended) of the Laws of Malta.

This copy of this audit report has been signed by Mario P. Galea (Partner) for and on behalf of

Ernst & Young
Certified Public Accountants

26 June 2009

INCOME STATEMENT

	Notes	2008 EUR	2007 EUR
Income	6	**47,642**	37,727
Administrative expenses	7	**(16,062)**	(14,664)
Surplus for the year		**31,580**	23,063

The accounting policies and explanatory notes on pages 10 to 17 form an integral part of the financial statements.

BALANCE SHEET
as at 31 December 2008

	Notes	2008 EUR	Restated 2007 EUR
Non-current assets			
Financial assets	9	**992,908**	743,627
Current assets			
Financial assets	9	**67,999**	86,373
Other receivables	10	**16,544**	12,712
Cash at bank		**17,356**	30,811
		101,899	129,896
TOTAL ASSETS		**1,094,807**	873,523
FUNDS AND LIABILITIES			
Funds and reserves			
Fixed contributions fund	11	**873,348**	727,761
Variable contributions fund	11	**17,782**	11,568
Deferred contributions fund	11	**41,311**	53,143
		932,441	792,472
Revaluation reserve	12	**66,991**	12,444
Accumulated Fund	12	**91,943**	60,363
		1,091,375	865,279
Current liabilities			
Other payables	13	**3,432**	8,244
TOTAL FUNDS AND LIABILITIES		**1,094,807**	873,523

The accounting policies and explanatory notes on pages 10 to 17 form an integral part of the financial statements.

The financial statements on pages 6 to 17 have been approved by the Management Committee on 26 June 2009 and were signed on its behalf by:

DR. ANTON FELICE
Chairman

GEORGE FARRUGIA
Member

STATEMENT OF CHANGES IN FUNDS

	Fixed contributions fund EUR	Variable contributions fund EUR	Deferred contributions fund EUR	Revaluation reserve EUR	Accumulated Fund EUR	Total EUR
At 1 January 2007 (as previously reported)	584,910	9,043	78,626	-	37,300	709,879
Effects of restatement on prior years	-	-	-	38,711	-	38,711
At 1 January 2007 (restated)	584,910	9,043	78,626	38,711	37,300	748,590
Contributions during the year	117,368	2,525	-	-	-	119,893
Transfer of deferred contributions	25,483	-	(25,483)	-	-	-
Net loss on available-for-sale investments (restated)	-	-	-	(26,267)	-	(26,267)
Surplus for the year	-	-	-	-	23,063	23,063
At 31 December 2007 (restated)	**727,761**	**11,568**	**53,143**	**12,444**	**60,363**	**865,279**
At 1 January 2008 (restated)	**727,761**	**11,568**	**53,143**	**12,444**	**60,363**	**865,279**
Contributions during the year	133,755	6,214	-	-	-	139,969
Transfer of deferred contributions	11,832	-	(11,832)	-	-	-
Net gains on available-for-sale investments	-	-	-	54,547	-	54,547
Surplus for the year	-	-	-	-	31,580	31,580
At 31 December 2008	**873,348**	**17,782**	**41,311**	**66,991**	**91,943**	**1,091,375**

The accounting policies and explanatory notes on pages 10 to 17 form an integral part of the financial statements.

CASH FLOW STATEMENT

	2008 EUR	2007 EUR
Operating activities		
Surplus for the year	**31,580**	23,063
Adjustment to reconcile surplus to net cash flow		
Non-cash:		
Interest receivable	**(46,434)**	(32,812)
Amortisation	**(865)**	(4,915)
Working capital adjustment:		
(Decrease)/increase in other payables	**(4,812)**	278
Interest received	**42,602**	31,922
Net cash flows from operating activities	**22,071**	17,536
Investing activities		
Payments to acquire financial assets	**(446,908)**	(504,913)
Proceeds on maturity of financial assets	**271,413**	379,476
Net cash flows used in investing activities	**(175,495)**	(125,437)
Financing activities		
Contributions received	**139,969**	119,893
Net movement in cash and cash equivalents	**(13,455)**	11,992
Cash and cash equivalents at 1 January	**30,811**	18,819
Cash and cash equivalents at 31 December	**17,356**	30,811

The accounting policies and explanatory notes on pages 10 to 17 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SCOPE AND FUNCTIONS OF THE SCHEME

The Investor Compensation Scheme (the "Scheme") was established by virtue of the Investor Compensation Scheme Regulations (the "Regulations"), Legal Notice 368 of 2003 (amended) of the Laws of Malta for the purposes of carrying out the functions defined in the said Regulations.

The main objective of the Scheme is to provide a means of protection for investors within the framework of the Regulations. The Scheme maintains a fund out of which payments will be made to investors where it appears that a participant to such Scheme is unable, for reasons directly related to its financial circumstances to meet its obligations arising from claims by its investors.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared under the historical cost convention except for available for sale investments that have been measured at fair value. These financial statements are in accordance with International Financial Reporting Standards as adopted by the EU and comply with Legal Notice 368 of 2003 (amended) of the Laws of Malta.

Euro changeover

Following Malta's adoption of the Euro as its national currency on 1 January 2008, the Scheme's functional currency was changed from Maltese Lira to Euro. Consequently, the results and financial position were translated at the Irrevocably Fixed Conversion Rate of EUR1: Lm0.4293 as at that date.

Prior year adjustment

During the year ended 31 December 2008 the Scheme restated the opening balances and comparative amounts where applicable, to classify financial assets as available-for-sale which were previously classified as held-to-maturity (Note 3).

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Standards, interpretations and amendments to published standards endorsed by the EU effective in 2008

The Scheme has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2008. Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Scheme.

- IFRIC 11 - IFRS 2 Group and Treasury Share Transactions
- IFRIC 12 - Service Concession Arrangements
- IFRIC 14 - IAS 19 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

IFRIC 11, 12 and 14 are not applicable to the Scheme's operations and hence had no impact on the financial position or performance of the Scheme.

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

Certain new standards, amendments and interpretations to existing standards have been published and endorsed by the EU that are not yet effective. The Scheme has not early adopted these standards and interpretations which are not relevant to its operation.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 CHANGES IN ACCOUNTING POLICIES - continued

These are as follows:

- IFRS 1 and IAS 27 Amendments - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for financial years beginning on or after 1 January 2009).
- IFRS 2 Amendment - Vesting Conditions and Cancellations (effective for financial years beginning on or after 1 January 2009).
- IFRS 3 Revised - Business Combinations (effective for financial years beginning on or after 1 July 2009)
- IFRS 8 - Operating Segments (effective for financial years beginning on or after 1 January 2009).
- IAS 1 Revised - Presentation of Financial Statements (effective for financial years beginning on or after 1 January 2009).
- IAS 23 Revised - Borrowing Costs (effective for financial years beginning on or after 1 January 2009).
- IAS 32 and IAS 1 Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation (effective for financial years beginning on or after 1 January 2009).
- IFRIC 13 - Customer Loyalty Programmes (effective for financial years beginning on or after 1 July 2009).
- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation (effective for financial years beginning on or after 1 October 2008).
- 2008 Annual Improvements to IFRS (effective for financial years beginning on or after 1 January 2009).

Prior year adjustment

During 2008, the Scheme changed its accounting policy on the classification and the subsequent measurement of the financial assets. Previously the Scheme had classified financial assets as held-to-maturity measured at amortised cost using the effective interest method. The Scheme decided to reclassify such financial assets as available-for-sale. The Committee judges that this policy provides reliable and more relevant information since the Scheme is subject to a legal obligation to meet potential investors' claims, hence making it difficult for the Scheme to demonstrate its ability to hold such instruments to maturity.

This change in accounting policy has been accounted for retrospectively and the effect of above restatement on the 2007 financial statements is an increase in financial assets of EUR12,444 and an increase in the revaluation reserve of EUR12,444. The restatement did not have an effect on the income statement.

The effect of the above restatements on the comparative figures is analysed as follows:

	Effect on 2007 EUR
Effect of restatement on prior years	38,711
Net loss on available-for-sale investments	(26,267)
Net increase in revaluation reserve	12,444
Increase in financial assets	12,444

NOTES TO THE FINANCIAL STATEMENTS - continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Scheme and the income can be reliably measured.

Interest income

Interest income is recognised as interest accrues (using the effective interest method).

Financial assets

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale investments, as appropriate. All financial assets are initially recognised at cost, being the fair value of the consideration given, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Scheme determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Scheme has classified its financial assets as 'available-for-sale' investments.

After initial recognition, financial assets which are classified as 'available-for-sale' are measured at fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Unrealised gains or losses on available-for-sale securities are reported as a separate component of funds until the financial asset is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in reserves is included in income.

For financial assets actively traded in organised financial markets, fair value is generally determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis based on the expected cash flows of the underlying net asset base of the investment and option pricing models.

Derecognition of financial assets

A financial asset is derecognised (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the right to receive cash flows from the asset have expired;
- the right to receive cash flows from the asset is retained, but the Scheme has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the rights to receive cash flows from the asset have been transferred and either the Scheme (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Other receivables

Other receivables are recognised and carried at original invoice amount less an allowance or any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash in hand and at banks are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For purposes of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits at banks.

Other payables

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the management committee are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known.

In the opinion of the management committee, the accounting estimates, assumptions 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 (revised)- 'Presentation of financial statements'.

6. INCOME

	2008 EUR	2007 EUR
Interest on available-for-sale investments	**46,434**	32,353
Amortisation of net discounts	**865**	4,915
Effective interest	**47,299**	37,268
Bank interest	**343**	459
	47,642	37,727

NOTES TO THE FINANCIAL STATEMENTS - continued

7. EXPENSES BY NATURE

	2008 EUR	2007 EUR
Committee members' honoraria	**13,394**	13,394
Auditors' remuneration	**1,888**	688
Central Bank of Malta management fee	**582**	582
Other expenses	**198**	-
	16,062	14,664

8. INCOME TAX

The Investor Compensation Scheme is exempt from the payment of income tax under section 12(1)(c) of the Investment Services Act, Cap. 370.

9. FINANCIAL ASSETS

Available-for-sale investments (at fair value)

a. The fair value of the financial assets is as follows:

	2008 EUR	Restated 2007 EUR
Non-current		
Malta Government Stocks	**992,908**	743,627
Current		
Malta Government Stocks	**43,094**	25,915
Treasury Bills	**24,905**	60,458
	67,999	86,373
Total financial assets	**1,060,907**	830,000

b. The amortised cost of the financial assets is as follows:

	2008 EUR	Restated 2007 EUR
Non-current		
Malta Government Stocks	**925,995**	731,442
Current		
Malta Government Stocks	**43,094**	25,623
Treasury Bills	**24,827**	60,491
	67,921	86,114
Total financial assets	**993,916**	817,556

NOTES TO THE FINANCIAL STATEMENTS - continued

9. FINANCIAL ASSETS - continued

c. The fair value movements of the financial assets (recognised in reserves) is as follows:

	2008 EUR	Restated 2007 EUR
Non-current		
Malta Government Stocks	**66,913**	12,185
Current		
Malta Government Stocks	**-**	292
Treasury Bills	**78**	(33)
	78	259
Total financial assets	**66,991**	12,444

10. OTHER RECEIVABLES

	2008 EUR	Restated 2007 EUR
Accrued income	**16,544**	12,712

11. CONTRIBUTION FUNDS

Fixed Contributions Fund

The Contributions fund represents fixed contributions paid directly to the Scheme annually by the licence holders by virtue of the Second Schedule item 2 under regulation 2.

Variable Contributions Fund

The variable contributions fund represents variable contributions received from license holders who have elected to follow the guidelines issued by MFSA in September 2004 and pay the variable contribution directly to Scheme. In addition to these amounts received the Scheme holds pledges amounting to EUR38,639 in terms of item 3, para (b)(ii) of the Second Schedule of the Regulations which may be called upon by the Management Committee in terms of Regulation 16.

Deferred Contributions Fund

The deferred contributions fund represents the funds transferred from the Malta Stock Exchange Compensation Fund to the Scheme in terms of Regulation 36 of the Regulations. Whereas these funds have been absorbed as an integral part of the Scheme by virtue of the Third Schedule under Regulation 36, these funds shall be accounted for over the moratorium period which is established in paragraph 3 of the Third Schedule of the Regulations.

NOTES TO THE FINANCIAL STATEMENTS - continued

12. OTHER RESERVES

Revaluation Reserve

This reserve records fair value changes on available-for-sale investments, representing net unrealised gains or losses.

Accumulated Fund

The accumulated fund represents accumulated surpluses over the years.

13. OTHER PAYABLES

	2008 EUR	Restated 2007 EUR
Accruals	**3,432**	8,244

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As at year end, the Scheme's main financial assets include available-for-sale investments, other receivables and cash at bank. Financial liabilities mainly consist of other payables. As at year end, there were no off-balance sheet financial assets and financial liabilities.

The main risks arising from the Scheme's financial assets and liabilities are credit risk, liquidity risk, interest rate risk, and fair value risk. The Management Committee reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Financial assets which potentially subject the Scheme to concentrations of credit risk consist principally of available-for-sale investments and cash at bank. Available-for-sale investments include Malta Government Stock and Treasury Bills. The Scheme's exposure to credit risk is limited to the carrying amounts of financial assets recognised.

The credit risk relating to available-for-sale investments is considered to be low in view of management's policy of investing only in high quality sovereign securities which are listed on a recognised stock exchange. The Scheme's cash is placed with quality credit institutions.

Liquidity risk

Liquidity risk is limited as the Scheme has sufficient funding resources to meet its financial obligations as these arise. However, the Scheme may be required to seek substantial borrowings and extraordinary funding assistance from third party entities in the event of a claim by investors following a default by an investment services company.

Interest rate risk

All interest-bearing financial assets have fixed interest rates. The Scheme's incoming and operating cash flows are substantially independent of changes to market interest rates. Up to the balance sheet date, the Scheme did not have a hedging policy with respect to interest rate risk as exposure was not deemed to be significant by the Management Committee.

NOTES TO THE FINANCIAL STATEMENTS - continued

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Fair value risk

The fair value of available-for-sale investments is based on quoted market prices at the balance sheet date. The carrying amounts of cash at bank and other receivables approximated their fair values.

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The objective of the Scheme is to provide a means of protection for investors within the framework of the regulation. The Management Committee, which manages and administers the Scheme, is required to work in the best interest of the Scheme and shall pursue and promote its objective.

The Scheme's capital management objectives are:

- to ensure the Scheme's ability to continue as a going-concern. For this purpose, it is required to maintain a fund or funds out of which payments shall be made to investors and to meet such other payments or expenses as may be paid out of the fund or funds in accordance with the Regulations.

- to process claims for compensation by investors as expeditiously as possible and to ensure that compensation is paid out without undue delay. To this end, the Scheme is required to consult with the competent authority (i.e. Malta Financial Services Authority) as to arrangements for the making of payments to investors in terms of the Regulations.

The capital structure of the Scheme principally consists of a contributions fund and other reserves.

The fixed contributions fund is made up of accumulated fixed contributions paid by participants since its inception in 2003.

In 2003, funds which had accumulated in the Malta Stock Exchange Compensation Fund were transferred to the Scheme in terms of the Third Schedule of the Regulations. A moratorium was allowed in favour of members of the Malta Stock Exchange who had contributed funds into the Compensation Fund up to the coming into force of the Regulations and their respective contributions are set-off against the fixed contributions due by them annually to the Scheme. The deferred contributions fund is made up of such set-off amounts accounted for annually as they come due.

The variable contributions represent funds deposited by participants with the Scheme on account of the licence holder's liabilities in terms of the Regulations and are repayable in the event of a licence holder's surrender of a licence, subject to confirmation from the competent authority.

The committee is committed to strengthen the Scheme's capital base in line with European and International best practices. To this end, it will continue to advise the competent authority on methods related to the strengthening of the financing of the Scheme.

16. COMPARATIVE INFORMATION

Where applicable, certain comparatives have been adjusted to conform with the current year's presentation.