



THE INVESTOR COMPENSATION COMPANY DAC

ANNUAL REPORT

YEAR ENDED 31 JULY 2023

MISSION STATEMENT

The Investor Compensation Company DAC aims to operate a financially sound scheme so that it is able to pay, in a prompt manner, statutory levels of compensation to eligible clients of failed investment firms.

In doing this, we will:

- Ensure that claims for compensation are dealt with promptly.
- Operate a cost effective method for the collection of levies which is fair to all investment firms.
- Maintain an open and positive relationship with the participant firms and claimants with whom we deal.

In fulfilling our mission we are guided by the following values:

- We take seriously our responsibility to the Investor Compensation Scheme's claimants and participant firms.
- We work in a consultative and co-operative manner with our participant firms, with the Central Bank of Ireland and with the Department of Finance.
- We operate with integrity and transparency.
- We work efficiently and effectively.

**THE
INVESTOR
COMPENSATION
COMPANY
DAC**

**ANNUAL REPORT
YEAR ENDED
31 JULY 2023**

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COMPANY INFORMATION

| | |
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| Secretary | Michael Fagan |
| Registered Office | Central Bank of Ireland, PO Box 11517, North Wall Quay, Dublin 1, D01 W920. |
| Auditor | RBK Business Advisers, Chartered Accountants & Statutory Audit Firm, Termini, 3 Arkle Road, Sandyford, Dublin, D18 C9C5. |
| Bankers | Bank of Ireland, 2 College Green, Dublin 2, D02 VR66. |
| Solicitors | William Fry Solicitors, 2 Grand Canal Square, Grand Canal Dock, Dublin 2, D02 A342. Beauchamps, Riverside 2, Sir John Rogerson’s Quay, Dublin 2, D02 KV60. |

Registered No 293240

THE BOARD OF DIRECTORS

All members serve as non-executive directors

| | | |
|--|--|---|
| <p>Jane Marshall (Chairperson)</p> <p>Appointed chairperson on 1 June 2018, Jane was a solicitor and formerly a partner with McCann FitzGerald Solicitors, where she specialised in the areas of restructuring, insolvency and associated litigation. She is an Adjunct Professor of Law at University College Cork.</p> | <p>George Treacy (Deputy Chairperson)</p> <p>Appointed to the Board on 7 September 2015. George began his career with the Central Bank of Ireland where he held various senior positions including Head of Division in the Legal, Consumer Protection and Intermediaries Supervision Divisions and latterly as Acting Director of Enforcement. Company Secretary and Chief Operations Officer of The Investor Compensation Company DAC from 2011 to 2014. A former member of the Company Law Review Group.</p> | <p>Valerie Bowens</p> <p>Appointed to the Board on 19 October 2015, Valerie (BComm, MBS, Dip Fin Services Law (UCD)) has extensive senior compliance, risk, governance and regulatory experience. Current non-executive roles include Council Member of the Financial Services & Pensions Ombudsman, and member of the Legal Practitioners Disciplinary Tribunal. Prior directorships include the Compliance Institute, NSAI, and Chairperson of its US subsidiary, NSAI Inc.. Valerie currently undertakes Compliance Director / Chief Compliance Officer roles in financial services on a consultancy basis. Prior executive experience includes Managing Director - BNY Mellon, Director of Regulatory Compliance - Dillon Eustace Solicitors, Senior Regulator - Central Bank of Ireland. Member of the Institute of Directors, Institute of Bankers and Compliance Institute.</p> |
| <p>Róisín Clarke</p> <p>Appointed to the Board on 1 August 2020, Róisín is from Galway, (Connemara Gaeltacht). She left her position as a Secondary School teacher and worked for 12 years with an International Humanitarian organisation. On her return to Ireland in 1991 she began working in a Life Assurance & Pensions Broker office, in Dublin. She set up her own Financial Broker company – Róisín Clarke & Co Limited - also in Dublin, in 2003 and continues in that position to date. Róisín is an Accredited Mediator and also held the role of Chairman of the Professional Insurance Broker Association (PIBA) from 2016 to 2017.</p> | <p>Michael D’Arcy</p> <p>Appointed to the Board on 28 March 2022, Michael is the CEO of the Irish Association of Investment Managers since October 2020. He had previously been a member of the Oireachtas from 2007. He served on a number of committees including Finance and Public Accounts, and was appointed to the statutory Banking Inquiry which investigated the collapse of the Irish banking sector prior to 2008. In 2017, he was appointed Minister of State at the Department of Finance with responsibility for Financial Services and Insurance. He chaired both the Government’s Industry Advisory Committee and High Level Implementation Committee.</p> | <p>Patricia Fitzgerald</p> <p>Appointed to the Board on 7 September 2020, Patricia (MBSc, BEd) is safefood’s Director of Corporate Operations with responsibility for accounting and finance, resource management, IT and corporate governance. A fellow of Chartered Accountants Ireland, Patricia has over twenty-five years’ experience in a variety of diverse commercial and public sector organisations including the Central Bank of Ireland, the Investor Compensation Company DAC, eBizz Consulting, CEVA and the Lafferty Group. She holds a Bachelor of Education and has also completed a Masters in Corporate Leadership and her other areas of interest include change management, negotiation and leadership skills.</p> |

THE BOARD OF DIRECTORS (CONTINUED)

All members serve as non-executive directors

| | | |
|---|---|--|
| <p>Carmel Foley</p> <p>Appointed to the Board on 1 August 2020, Carmel (M.Sc. (Mgmt.) TCD) is a former Director of Consumer Affairs. Previously Commissioner, GSOC and Chief Executive, Employment Equality Agency and Council for the Status of Women. Served in the Departments of Foreign Affairs and Finance (Banking Division). Non-executive appointments included Strategic Banking Corporation of Ireland, Law Society Complaints Committee, Personal Injuries Assessment Board, Safefood and Bord na Móna. Currently member of the Audit and Risk Committee of the Competition and Consumer Protection Commission.</p> | <p>Caroline Gill</p> <p>Appointed to the Board on 7 September 2020, Caroline (BL, B.A., MSc, Dip Corporate Governance, Dip Applied Employment Law) is a Barrister and Accredited Mediator, a Fellow of the Institute of Personnel and Development, a member of the Chartered Institute of Arbitrators and of the Employment Bar Association of Ireland. She has worked as an employment consultant for a number of public and private sector organisations, as well as sitting on the boards of the Pyrite Remediation Scheme, the Luas, the Irish Stock Exchange, the Mater Dei Institute (DCU) and the Food Safety Authority of Ireland. She also sits on the board of St. Patrick's Hospital and the CPD Board.</p> | <p>Michael Kilcoyne</p> <p>Appointed to the Board on 15 May 2023, Michael is currently chairman of the Consumers' Association of Ireland. An elected member of Mayo County Council for the past 15 years and an elected member of the former Castlebar Town Council for 15 years. Former Industrial Official of SIPTU and prior to that Branch Secretary of the Irish Transport and General Workers Union Mayo. Attended Sancta Maria Secondary School in Louisburgh, Co Mayo and Andover Institute of Business in Boston. Michael also studied at the Michael Smurfit Business School UCD.</p> |
| <p>Siobhán Madden</p> <p>Appointed to the board on 19 October 2015. Siobhán is an Irish solicitor, tax consultant, and a member of the New York Bar. She is a director of Formidion Aviation Capital Limited, an aviation trading and leasing company based in Ireland, and is a former member of the board of Bus Atha Cliath. Siobhán is an international corporate legal consultant. Her practice specialties are the law relating to banking & financial services, aviation and corporate governance. She is a graduate of Trinity College, was a partner in A&L Goodbody Solicitors for 15 years, and for 8 years was General Counsel Ireland for Zurich Insurance Group. She has also worked in New York and France for major international companies.</p> | <p>Conor Miles</p> <p>Appointed to the Board on 7 September 2020, Conor (B.A. TCD; M.B.S UCD, Smurfit) is a senior executive with Euronext Dublin. He has responsibility for commercial aspects of the Irish Equity market and also maintains close relationships with a diverse group of domestic and international investment firms. His sales coverage covers all major traded asset classes. Former member of the Exchange's Regulation Team having started his finance career with Daiwa Securities in Dublin.</p> | <p>Ann Smith</p> <p>Appointed to the Board on 22 October 2018, Ann is a fellow of Chartered Accountants Ireland. She is Director Corporate Services with Banking & Payments Federation Ireland, with responsibility for finance, corporate governance, HR, facilities and IT. She has over 30 years' experience in financial services and membership bodies, sits on the Finance Committee of Accounting Technicians Ireland and acts as Company Secretary for four companies.</p> |

CHAIRPERSON'S STATEMENT



Jane Marshall

Chairperson

I am pleased to present the Annual Report of The Investor Compensation Company DAC (the "Company/ICCL") for the year ended 31 July 2023.

OVERVIEW

The ICCL's financial position was further strengthened in the past year, which enhances the Company's capability to discharge compensation liabilities that may arise. This continued progress is only possible through the ongoing commitment of the member firms that contribute to the Scheme for which I am most appreciative.

At the conclusion of the reporting period, almost all compensation claims received from clients of Custom House Capital had been certified by the Administrator while significant progress was achieved in the settlement of claims. In May, a new compensation event occurred with the appointment of Joint Liquidators/Administrators to BlackBee Investments Limited. While ICCL engagement with clients has commenced, the extent of compensation liabilities is unclear as investigations by the liquidators into the firm continue.

FUNDING

In line with statutory provisions, compensation payments and operational costs are funded from contributions by authorised investment firms that participate in the Scheme and by the end of the financial year accumulated reserves had reached €97.7 million. The Company maintains two funds, apportioned on the basis of the risk profile of member firms. Fund A is comprised of large investment firms, including MiFID firms, where the level of potential compensation liabilities arising from a failure is highest. There was a substantial increase in this fund from the previous year, which was principally attributable to receipt of risk equalisation levies. At year-end this Fund had

capacity to cover compensation payments of up to €171 million when insurance facilities are deployed.

Fund B is dedicated to smaller investment firms such as retail investment intermediaries and insurance brokers. This fund is now ahead of its target level under the current Funding Arrangements. When supplemented by insurance cover of €10 million, there is capacity of €36 million to meet liabilities arising from the default of Fund B firms.

The ICCL determines its funding requirements and related levy contributions at three-yearly intervals in order to provide some certainty to participating firms. The initial year of the latest Funding Arrangements was successfully completed. The funding requirements of the Scheme are reviewed regularly by the Board and its Funding Sub-Committee. In that context, since the year-end the Scheme's capacity has been further augmented on economically viable terms, as envisaged under the Funding Arrangements 2022-25.

COMPENSATION CASES

BlackBee Investments Limited (BBIL)

On the appointment by the High Court in May (following an application by the Central Bank) as Joint Official Liquidators of BBIL, Mr Luke Charleton and Mr Colin Farquharson of EY, were confirmed as joint Administrators to the firm, thereby triggering the Compensation Scheme. The Administrators will be responsible for certifying compensatable losses should these arise. This firm provided regulated investment services to more than 2,000 clients. The liquidators are investigating the affairs of the firm and it is unknown at this time whether

compensatable losses have transpired in respect of BBIL client assets.

In accordance with investor compensation legislation, the ICCL is obliged to invite claims for compensation from clients within a specified timeframe (five months) in circumstances where an authorised investment firm has failed. This process has commenced with completed claim forms being checked before transmission to the Administrators for validation. No information is available regarding the timescale for the certification of claims received. The ICCL is continuing to engage with the Administrators in that context.

Custom House Capital Limited (CHC)

I am pleased to report that the CHC case was advanced significantly during the past year with almost all outstanding claims now certified by the Administrator, Mr Kieran Wallace. In total, 2,340 claims have been certified with an aggregate value of €11.9 million. To date, the ICCL has paid out €11.5 million to individual claimants. Efforts to settle the residual amounts, which relate primarily to uncontactable clients of the firm or claimants who have yet to submit required statutory declarations, are continuing. I am grateful to the Administrator and his team for their cooperation throughout the year which greatly aided our claims settlement activities. Further information on claims processing is contained in the Operations Report (page 10).

Money Markets International Stockbrokers Limited (MMI)

The liquidation of MMI, which dates from March 1999, is continuing. The ICCL has paid €0.8m in compensation to eligible clients of the firm, the most recent payment being made in 2008. The Liquidator, Mr Tom Kavanagh, who also serves as Administrator has sought adjudication from the High Court on a number of issues. It remains unclear whether additional compensation will arise in the case.

Further information on claims processing is contained in the Operations Report (page 10).

MANAGEMENT AND OPERATIONS

During what was another busy year, the Executive team ensured that our operations, including those relating to core activities of claims processing and levy collections were conducted effectively in an environment that blended on-site and remote working. I am grateful to COO Michael Fagan and his colleagues for their dedication and professionalism.

I am grateful to Governor Makhoul, and to other Central Bank colleagues, with whom the ICCL engages, for their continued assistance in enabling the Company to discharge its responsibilities effectively. I also wish to thank our other stakeholders, particularly the Department of Finance, for their support.

GOVERNANCE AND BOARD

In the discharge of the ICCL's remit, the Board is mindful of the need for best practice governance arrangements throughout the organisation. The Board is supported by both the Audit and Risk Committee and the Funding Committee in ensuring the continued appropriateness of the comprehensive range of policies and procedures in place as well as in compliance oversight. The wide-ranging activities undertaken by the Company requires the prioritisation of the management of risk, in which the Audit and Risk Committee plays a central role. During the year, the Company invested in the upgrade of the IT security infrastructure.

In March, Dermott Jewell, resigned from the Board following many years of devoted service at Board and Committee level. Dermott's knowledge of and insight into consumer-related matters were invaluable to the ICCL and I am very grateful for his contribution. I welcome Michael Kilcoyne, who joined the Board in May and look forward to working with him in the years ahead.

Thankfully, the lifting of pandemic-related restrictions has facilitated the ending of remote-only meetings and the Board now convenes through a mixture of in-person and remote meetings. I wish to acknowledge the ongoing support and advice of the Deputy Chairperson, George Treacy, and my fellow Directors and for the time, expertise and commitment which they bring to the business of the Board and its committees.

20 November 2023

OPERATIONS REPORT

The Company's primary role is to ensure that, in accordance with the Investor Compensation Act, 1998 (the Act), it has the funds available to pay all certified claims in a timely fashion.



Michael Fagan

Chief Operations Officer

Overview

Over the past year, the certification and payment of outstanding Custom House Capital compensation claims was largely concluded. In summary, the Administrator has certified 2,340 claims for an aggregate amount of €11.9 million. The ICCL has fully processed 2,216 claims (95 per cent) where clients have provided the ICCL with the necessary details, which has involved the payment of €11.5 million in compensation to eligible clients.

A new compensation case, BlackBee Investments Limited, began in May 2023. As obliged under investor compensation legislation, the ICCL has commenced the issuance of claim forms to the clients of the firm. As investigations into the firm by the appointed Joint Official Liquidators are continuing, it is not possible to state at this juncture if compensatable losses will transpire for clients.

The ICCL's reserves had increased to €97.8 million (from €88.1 million) by 31 July 2023, at which time 2,953 investment firms were affiliated to the Scheme (2022: 3,002).

FINANCIAL SUMMARY

A surplus of €9.6 million was recorded for the year-ended 31 July 2023, equating to an increase of €4.0 million on the previous year. This outcome reflected a significant rise in contributions to the Scheme by investment firms which totalled €11.5 million (2022: €5.4 million), the increase attributable to the receipt of risk equalisation levies (which had not arisen in the prior year). Aggregate expenditure (excluding compensation-related provisions) was €2.4 million, a reduction of €0.3 million on 2022 due mainly to lower legal costs. At the end of the period, net assets (or Compensation Funds retained) stood at €97.7 million (2022: €88.1 million). Further details are contained in the accompanying Financial Statements.

CLAIMS

CUSTOM HOUSE CAPITAL (CHC)

As noted in last year's report, a High Court judgment delivered in October 2021 brought important clarifications regarding a number of issues and enabled the resumption of certifications and related payment of compensation. Since that time, very significant progress has been made with 1,766 certifications completed (of which 176 were in the latest year) for an aggregate of €4.4 million. This brings the total amount certified to €11.9 million in respect 2,340 claims. The Administrator has indicated that the certification process is largely completed with a single claim awaiting certification at year end.

At the conclusion of this financial year, the ICCL had settled 95 per cent of all certifications. The outstanding claims (124) relate primarily to instances where there are issues in contacting the claimants concerned or where required information from clients has yet to be submitted. We are continuing to seek to finalise the processing of these claims.

The processing of the claims within the past eighteen months has been facilitated by the cooperation from the Administrator and his team, for which I am very grateful.

BLACKBEE INVESTMENTS LIMITED (BBIL)

In May 2023, Mr Luke Charleton and Mr Colin Farquharson were appointed by the High Court as Joint Official Liquidators/Administrators of BBIL, a MiFID investment firm, following an application by the Central Bank. The firm provided regulated investment business services to more than 2,000 clients. The Compensation Scheme has been activated and the ICCL has begun to invite claims from these clients as is required under investor compensation legislation. All completed claim forms received will be validated before being sent to the Administrators for certification.

The Liquidators are undertaking an investigation into the affairs of BBIL. That exercise will take some time to complete, and it is not known at this stage if compensatable losses have arisen. The ICCL will continue to engage with the Liquidators to ensure that any necessary compensation-related activities are advanced. Updates will be regularly posted on our website.

MONEY MARKETS INTERNATIONAL STOCKBROKERS LIMITED (MMI)

This liquidation is ongoing since 1999, with a number of issues awaiting determination by the High Court, including whether the Liquidator can recover his fees and costs from the residual client assets. Depending on the outcome, it is possible that further compensation may be claimed from the ICCL.

FUNDING

Under investor compensation legislation, the ICCL is required to have sufficient financial resources to fund all compensation amounts payable to eligible clients of insolvent investment firms. Accordingly, it has accrued reserves sourced solely from levies received annually from investment firms affiliated to the Scheme. There are two distinct compensation funds maintained: Fund A for large investment firms including banks, investment managers, stockbrokers and MiFID firms, and Fund B, which covers other firms such as retail investment and insurance intermediaries. Levies are set at three-yearly intervals based on funding targets following consultation with relevant stakeholders, including the Central Bank and member investment firms.

Income from levies paid in this financial year by investment firms participating in the Scheme amounted to €11.5 million, up from €5.4 million (the current year result benefitted from receipt of risk equalisation levies, which did not occur in the prior period). At the end of the reporting period, the balances on Fund A and Fund B were €71.3 million and €26.4 million respectively.

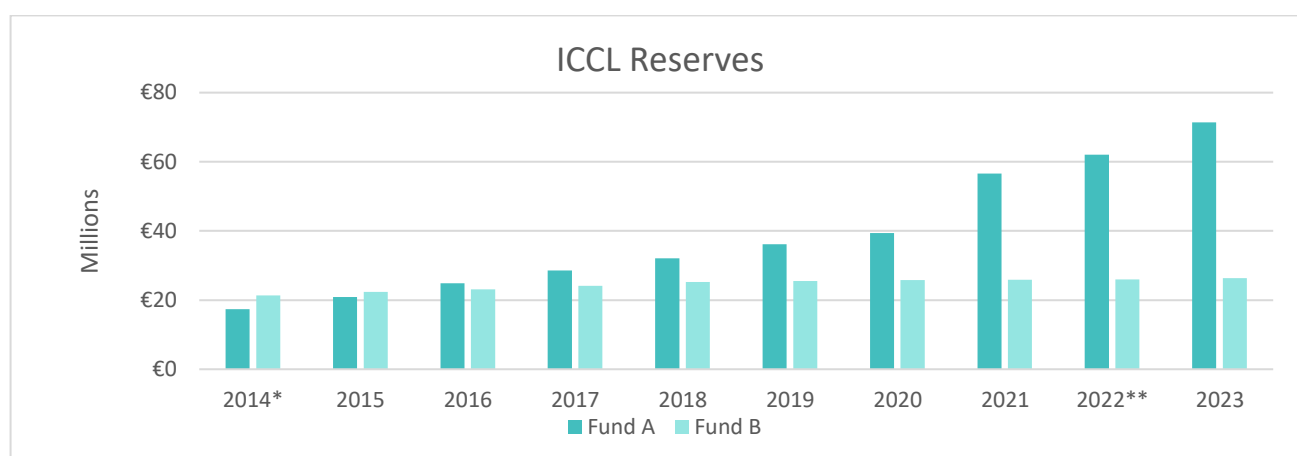
An overall collection rate of 99.4 per cent, consistent with previous years, was achieved. The Company is very appreciative of the ongoing support for the Scheme from member firms.

The ICCL's core reserves are complemented by bespoke insurance policies underwritten by Lloyds Brussels Insurance Company S.A. which provide funding of up to €100 million (Fund A) and €10 million (Fund B), in accordance with contractual provisions. The ICCL now has the resources to meet compensation claims of up

to €171 million that may arise from a default of a Fund A firm, with a corresponding amount of €36 million for a Fund B firm.

As noted above, the ICCL prepares its funding requirements, including proposed annual levies from participating firms, at three-yearly intervals, to facilitate planning by the firms. This process incorporates consultation with stakeholders including investment firms. The latest Funding Arrangements (available on our website), covering the period 2023-25 incorporate an aggregate funding target of €250 million by the end of the cycle. The level and composition of funding including the composition of sources are regularly reviewed by the Funding Committee and by the Board.

The table below shows the development of core reserves for both funds over the past decade.



FUND A

* Release of IBRC Claims Compensation Provision

** Release of CHC Claims Compensation Provision

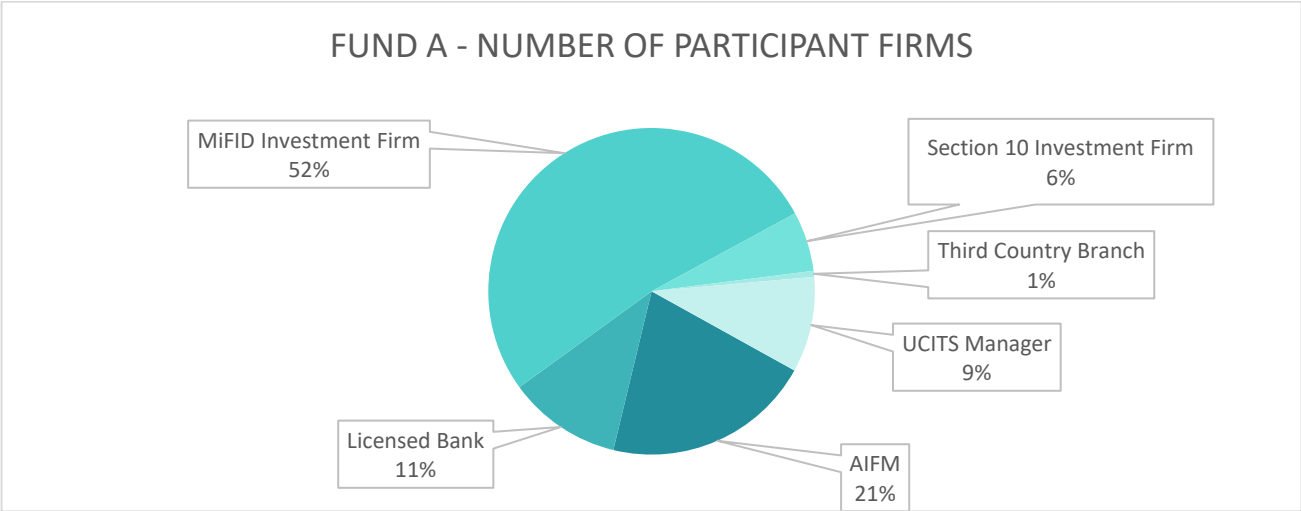
MEMBERSHIP

At 31 July 2023, there were 2,953 investment firms participating in the Scheme (2022: 3,002), consisting of 168 firms in Fund A (2022: 167) and 2,785 in Fund B (2022: 2,835). Further details of the membership of the respective Funds are provided below.

FUND A

This Fund covers the eligible clients of large investment firms that offer a range of services to retail investors, including the execution of client orders of financial instruments and the management of clients’ investment portfolios.

The following chart illustrates the composition of the Fund between the different segments in the market.

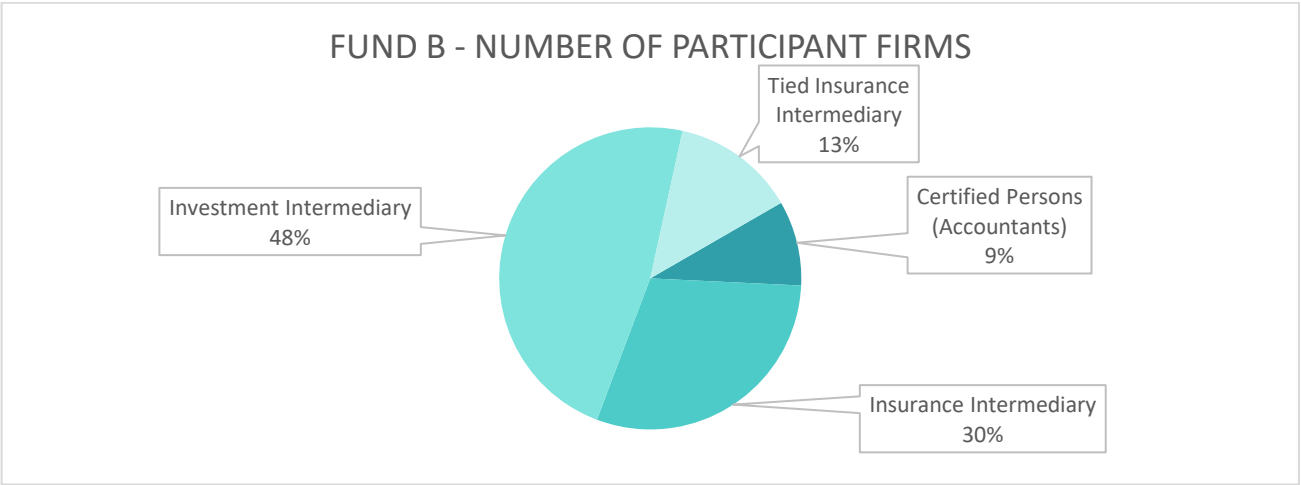


Total Contributing Firms: 168

FUND B

Fund B has been designed to cater for smaller investment firms that provide a more limited range of services to the investing public. These firms primarily act as intermediaries, i.e. receiving orders from clients for onward transmission to generally larger institutions such as banks, insurance companies, asset managers and stockbrokers. The category includes investment intermediaries, insurance intermediaries, tied insurance agents and certified persons (member firms of Approved Professional Bodies (APBs) that have been authorised to provide certain investment business services).

The chart below provides further details of the composition of Fund B participants.



Total Contributing Firms: 2,785

INVESTMENTS

Under the Act, the ICCL may invest reserves in deposits or in securities in which trustees are authorised by law to invest trust funds. Investment activities are administered in accordance with a policy which has been authorised by the Board and approved by the Central Bank. The policy was reviewed and updated during the year.

The past year has seen a welcome return to a positive interest rate environment after a sustained period of negative rates. This resulted in the portfolio generating income of almost €1 million.

RISK MANAGEMENT

Within the ICCL, the risk management process is formalised to ensure that comprehensive control systems are in place across the Company's activities, accompanied by appropriate oversight provisions. The Company avails of internal audit services provided by the Central Bank's Internal Audit Division. During the year, an extensive programme to enhance IT security arrangements was successfully completed with the assistance of specialist external consultants, with provision for intensive regular monitoring.

OTHER ACTIVITIES

The Central Bank, as supervisory authority for investor compensation, is a major stakeholder of the ICCL. There was ongoing engagement with the Bank across a range of policy areas impacting on the Company and the general investment firm sector. There were also consultations with the Department of Finance, including on legislative issues relating to the Scheme.

The ICCL is affiliated to the European Federation of Deposit Insurers (EFDI), the representative body for Deposit Guarantee Schemes and Investor Compensation Schemes across Europe. The Company plays a prominent role in the activities of the EFDI's Investor Compensation Working Group.

ADMINISTRATION

The ICCL's Executive staff are seconded from the Central Bank and the Company also avails of administrative and other support services provided by the Bank. The cost of these services, including staff remuneration, is discharged from the resources of the Company. For the year-ending 31 July 2023, average staff numbers were 8.2 FTE (2022 8.0).

I wish to acknowledge the considerable contributions of my colleagues on the Executive who through their commitment ensured that the Company's operations were conducted effectively in the period under review.

I am also indebted to the Board of Directors, particularly the Chair, Jane Marshall and Deputy Chair, George Treacy, for their guidance and support over the past year.

20 November 2023

REPORT OF THE DIRECTORS

INTRODUCTION

The Directors are pleased to submit to the Annual General Meeting of the Investor Compensation Company DAC the audited financial statements for the year ended 31 July 2023, together with the Report of the Directors, which has been prepared pursuant to the provisions of section 325 of the Companies Act 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are as follows:

- the establishment and maintenance of arrangements for the payment of compensation to clients of investment firms in accordance with the Investor Compensation Act, 1998 (as amended) (referred to hereafter as the “Act”).
- the collection of levies from investment firms and the management of these funds out of which compensation and expenses are paid in accordance with the Act.

BUSINESS REVIEW

A summary of the main developments during the period under review is provided in the Operating Report on pages 10 to 14.

FINANCIAL POSITION

The assets, liabilities, and financial position of the Company are set out in detail in the financial statements on pages 28 to 45.

In accordance with the Constitution of the ICCL, no dividend is payable by the Company.

ACCOUNTING RECORDS

To ensure that adequate accounting records are maintained in accordance with the requirements of sections 281 to 286 of the Companies Act, 2014, ICCL has employed an appropriately qualified Funding and Policy Manager and provides sufficient resources to the finance function. The accounting records are located at ICCL’s registered office at North Wall Quay, Dublin 1, D01 W920.

PROVISION OF RELEVANT AUDIT INFORMATION

In accordance with Section 330(1) of the Companies Act, 2014, the directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company’s statutory auditor is aware of that information. Insofar as they are aware, there is no relevant audit information of which the Company’s statutory auditor is unaware.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No material events have occurred after the reporting date that require disclosure in the financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations or incurred any related expenditure during the year.

AUDITORS

RBK, Chartered Accountants, were appointed as auditors to the Company during the financial year and continue in office in accordance with Section 383 (2) of the Companies Act 2014.

ASSESSMENT OF PRINCIPAL RISKS

The Board of the ICCL (the ‘Board’) has identified a range of key risks and uncertainties facing the Company including:

Economic: adverse developments in both the domestic and international economy which would affect the stability of markets and investment firms covered by the Compensation Scheme. This includes uncertain short to medium term effects on the Irish economy and financial services firms.

Funding: insufficient funds maintained to discharge the Company's responsibility of paying compensation to eligible investors of failed investment firms;

Liquidity: temporary unavailability of resources to meet payment obligations;

Investment/Credit: default of deposit counterparties, deterioration of investment ratings;

Compliance: non-compliance with legislative and regulatory requirements arising from process failures or poor governance;

Operational: potential exposures arising in respect of ICT (cyber threats), Human Resources (loss of experienced personnel), and reliance on third party service providers;

Reputational: loss of good standing with stakeholders, including the public, owing to a risk or event materialising.

The Board analyses these risks and their potential impact on an ongoing basis and has a comprehensive framework in place for their management and control. Further details are contained in the following section on Governance.

GOVERNANCE

BOARD

The Board of the ICCL is constituted in accordance with the provisions of the Act, as follows:

- The Governor of the Central Bank appoints the Chairperson and Deputy Chairperson;
- The Minister for Finance prescribes five bodies or persons deemed to represent the interests of retail investors for nomination as Directors;
- The Minister prescribes five bodies deemed to represent the financial services industry, each to nominate a Director.

Each Director serves for a term of three years, following which they are eligible for re-appointment for a further period.

The Central Bank of Ireland is the supervisory authority for investor compensation while also providing a range of administrative and support services to the Company, for which it is reimbursed. An annual review of the Company's operations, to include its relationship with the Central Bank of Ireland, takes place between the Governor and the Company's Chairperson.

COMPLIANCE

The Board is responsible for the leadership and control of the Company, and for ensuring that the necessary financial and other resources are available for the Company to achieve its objectives. There is a formal schedule of matters specifically reserved to the Board for consideration and decision. This includes approval of strategic plans for the Company, matters relating to the maintenance of Compensation Funds and the approval of the annual financial statements. The roles of Chairperson and Chief Operations Officer are not combined. The Chairperson is responsible for organising the business of the Board, facilitating the effective contribution of all Directors, and ensuring that Directors receive accurate, timely and clear information. The Chief Operations

Officer is responsible for the direction and control of the Company's business on a day-to day basis and is accountable to the Board for all authority delegated to executive management.

The Board is committed to maintaining the highest standards and supports the principles of corporate governance outlined in the *Code of Practice for the Governance of State Bodies* (the "Code of Practice") as issued in 2016 and updated from time to time. While not formally obliged to abide by the Code of Practice, the Directors confirm that the Company has complied throughout the accounting period with the main aspects that are appropriate to the ICCL.

DIRECTORS' INDEPENDENCE

The Directors, in the furtherance of their duties, are given access to independent professional advice, as required, at the expense of the Company.

INDUCTION AND TRAINING

On appointment, all new Directors are provided with an extensive induction and briefing on the Company and its operations, led by the Chairperson and the Chief Operations Officer. They are also advised of their obligations and duties as a director and provided with the ICCL's Code of Conduct, Data Protection policy and other relevant documentation. Training is arranged for Board members as required to facilitate the updating of their skills and knowledge necessary to fulfil their roles, both on the Board and its Committees.

BOARD COMMITTEES

The Board has established two permanent Committees to assist in the execution of its responsibilities. These are the Audit & Risk Committee and the Funding Committee.

Each of these Committees has bespoke terms of reference, under which authority is delegated to them by the Board, and which are subject to annual review. Minutes of meetings are circulated to Committee members and the Chairperson of each Committee reports to the Board on all significant issues considered by the respective Committees.

THE AUDIT AND RISK COMMITTEE comprises five Board members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance, and associated assurance. The ARC is independent from the financial management of the organisation. In that context, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The main functions of the Audit and Risk Committee are set out in its terms of reference and include:

- Monitoring the integrity of the financial statements;
- Reviewing the effectiveness of the Company's internal control and risk management processes;
- Overseeing compliance with legal and regulatory requirements;
- Overseeing the internal audit process including the agreed implementation of audit recommendations;
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the Company's external auditors including agreeing terms of engagement and remuneration;
- Facilitating arrangements for the collation and investigation of any matters which are the subject of confidential disclosures by staff.

During the year, the Committee oversaw the appointment of a Chief Information Security Officer, and, the implementation of recommendations arising from an IT security audit undertaken by specialist external consultants.

The members of the Audit and Risk Committee during the year were: Ann Smith (Chairperson), Valerie Bowens, Caroline Gill, Conor Miles and Siobhán Madden.

THE FUNDING COMMITTEE comprises six Board members. The Funding Committee is required to assist the Board of the ICCL in fulfilling its role in overseeing the adequacy of funds maintained to meet the compensation liabilities of the Company. The main functions of the Funding Committee are set out in its terms of reference and include:

- Assisting the Board with the development of a comprehensive funding strategy and related policies with a view to maintaining an appropriate level of funds out of which payments shall be made in accordance with the Act;
- Evaluating the adequacy of funding plans and overseeing their implementation;
- Monitoring the collection of annual levies, including the proposed write-off of bad debts;
- Reviewing the estimates of compensation payable as provided by Administrators appointed to investment firms;
- Assisting the Board with the formulation of policies which affect the funding and operations of the Company.

During the year, the Committee initiated a review of the Risk Equalisation Rule with a view to publishing a Public Consultation on revised proposals later in 2023.

The members of the Funding Committee during the year were: George Treacy (Chairperson), Róisín Clarke, Patricia Fitzgerald, Carmel Foley, Dermott Jewell (until March 2023), Michael D'Arcy and Michael Kilcoyne (from May 2023).

COMPOSITION OF THE BOARD AT 31 JULY 2023

| Board Member | Role | Nominating Body | Date Appointed / Re-appointed |
|---------------------|--------------------|--|-------------------------------|
| Jane Marshall | Chairperson | Governor of Central Bank of Ireland | 1 June 2021 |
| George Treacy | Deputy Chairperson | Governor of Central Bank of Ireland | 7 September 2021 |
| Valerie Bowens | Ordinary Member | Minister for Finance | 17 January 2022 |
| Róisín Clarke | Ordinary Member | Brokers Ireland | 1 August 2020 |
| Michael D'Arcy | Ordinary Member | Irish Association of Investment Managers | 28 March 2022 |
| Patricia Fitzgerald | Ordinary Member | Chartered Accountants Ireland | 7 September 2020 |
| Carmel Foley | Ordinary Member | Competition and Consumer Protection Commission | 1 August 2020 |
| Caroline Gill | Ordinary Member | Minister for Finance | 7 September 2020 |
| Michael Kilcoyne | Ordinary Member | Consumers Association of Ireland | 15 May 2023 |
| Siobhán Madden | Ordinary Member | Minister for Finance | 17 January 2022 |
| Conor Miles | Ordinary Member | Irish Stock Exchange plc | 7 September 2020 |
| Ann Smith | Ordinary Member | Banking and Payments Federation Ireland | 12 September 2022 |

DETAILS OF RETIREMENTS/RESIGNATIONS FROM THE BOARD DURING THE YEAR

| Board Member | Role | Nominating Body | Date of retirement / resignation |
|----------------|-----------------|----------------------------------|----------------------------------|
| Dermott Jewell | Ordinary Member | Consumers Association of Ireland | 31 March 2023 |

DETAILS OF APPOINTMENTS AND REAPPOINTMENTS TO THE BOARD DURING THE YEAR

| Director | Role | Nominating Body | Reason for vacancy | Date Appointed / Re-appointed |
|------------------|-----------------|---|--------------------|-------------------------------|
| Michael Kilcoyne | Ordinary Member | Consumers Association of Ireland | Appointment | 15 May 2023 |
| Ann Smith | Ordinary Member | Banking and Payments Federation Ireland | Reappointment | 12 September 2022 |

SCHEDULE OF ATTENDANCE, FEES AND EXPENSES

A schedule of attendance at the Board and Committee meetings for which members were eligible to attend during the financial year ended 31 July 2023 is set out below including the fees and expenses received by each member:

| | Board | Audit & Risk Committee | Funding Committee | Fees 2023 € | Expenses 2023 € |
|---------------------------|----------|------------------------|-------------------|-----------------|-----------------|
| Number of meetings | 7 | 4 | 4 | | |
| Jane Marshall | 6/7 | N/A | N/A | 31,500 | - |
| George Treacy | 6/7 | N/A | 4/4 | 15,750 | 95 |
| Valerie Bowens | 6/7 | 4/4 | N/A | 10,350 | - |
| Róisín Clarke | 7/7 | N/A | 4/4 | 10,350 | - |
| Michael D'Arcy | 5/7 | N/A | 1/4 | 10,350 | - |
| Patricia Fitzgerald | 5/7 | N/A | 4/4 | 10,350 | 717 |
| Carmel Foley | 6/7 | N/A | 3/4 | 10,350 | - |
| Caroline Gill | 6/7 | 4/4 | N/A | 10,350 | - |
| Dermott Jewell | 3/4 | N/A | 3/3 | 6,900 | - |
| Michael Kilcoyne | 2/2 | N/A | N/A | 2,363 | - |
| Siobhán Madden | 7/7 | 4/4 | N/A | 10,350 | - |
| Conor Miles | 6/7 | 4/4 | N/A | 10,350 | - |
| Ann Smith | 7/7 | 3/4 | N/A | 10,350 | - |
| | | | | €149,663 | €812 |

The principle of One Person One Salary does not apply to the Company.

TRAVEL AND SUBSISTENCE EXPENDITURE

Travel and subsistence expenditure is categorised as follows:

| | 2023 € | 2022 € |
|---------------|--------------|--------------|
| Domestic | | |
| - Board | 717 | - |
| - Staff | - | - |
| International | | |
| - Board | 95 | - |
| - Staff | 1,894 | 1,096 |
| Total | 2,706 | 1,096 |

HOSPITALITY EXPENDITURE

The Income and Expenditure Account includes the following hospitality expenditure:

| | 2023 € | 2022 € |
|--------------|--------------|------------|
| Hospitality | | |
| - Staff | 682 | 360 |
| - Board | 2,454 | 350 |
| - Clients | - | - |
| Total | 3,136 | 710 |

The ICCL does not engage in client hospitality. The above amounts do not include expenditure on refreshments / hospitality associated with business operations such as conference hosting, events and meetings.

PERFORMANCE EVALUATION

In line with the Code of Practice guidance, the Board and its Committees complete annual performance reviews. During the period under review, a self-assessment review was undertaken by members. Any recommendations arising from this evaluation as deemed appropriate, will be implemented as part of the annual workplan. (External evaluations of the Board's performance are carried out on a periodic basis).

INTERNAL CONTROL

A Statement on Internal Control has been included in this Annual Report on pages 22 to 23 and should be read in conjunction with the Directors' Report.

PROTECTED DISCLOSURES REPORT

Section 22 of the Protected Disclosures Act 2014 requires the publication of a report each year relating to the number of protected disclosures made in the preceding year and also for the publication of information with regard to any actions taken in response to protected disclosures made.

No protected disclosures were received by the Investor Compensation Company DAC in the year ended 31 July 2023.

COMPANY SECRETARY

The appointment and removal of the Company Secretary is a matter for the Board. All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with.

DIRECTORS AND TRANSACTIONS INVOLVING DIRECTORS

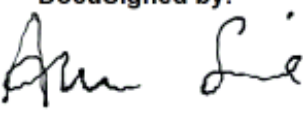
The Directors of the Company are listed on page 19. All Directors serve in a non-executive capacity.

There were no contracts in relation to the business of the Company in which the Directors had any interest at any time during the year ended 31 July 2023.

Signed on behalf of the Board:

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DocuSigned by: *Ann Li* ith

 OR
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 20 November 2023

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

On behalf of the Investor Compensation Company DAC ('ICCL'), I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The ICCL's system of internal control is designed to manage risk rather than eliminate it. On that basis, the system can only provide reasonable assurance, and not absolute assurance, that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely manner.

In discharging its responsibilities in respect of the maintenance of effective internal controls, the Board is assisted by the Audit and Risk Committee ('ARC'). The ARC reports to the Board on its oversight and review of the ICCL's internal financial control and risk management systems.

CAPACITY TO HANDLE RISK

The ARC comprises five Board members, with financial and risk management expertise, one of whom is the Chair of the Committee. The ARC met four times during the year under review.

The ICCL engages the Internal Audit Division ('IAD') of the Central Bank of Ireland, and when deemed appropriate, external subject matter experts, to provide internal audit services. The ARC is satisfied that IAD is adequately resourced to conduct a programme of work as agreed with the ARC.

The ICCL has developed a risk management framework which outlines its risk appetite, the risk management processes in place and the roles and responsibilities of staff in relation to risk. Staff are trained in relation to the risk management framework and are expected to raise emerging risks and control weaknesses identified during the discharge of their roles.

RISK AND CONTROL FRAMEWORK

The ICCL has implemented a comprehensive risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, mitigate

those risks. During the year, this framework was enhanced following a comprehensive review.

A risk register is in place which identifies the key risks facing the ICCL and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC at each meeting. Significant risks, and notable changes to risks, are also reported to the Board, where Risk Management remains a standing agenda item. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls in place to mitigate risks and where applicable, assigns responsibility for operation of controls to specific staff. A control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Board;
- there are systems aimed at ensuring the security of information and communication technology systems;
- there are systems in place to safeguard the assets.

ONGOING MONITORING AND REVIEW

Formal procedures have been established for monitoring control processes. Any identified control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. The following processes exist:

- arrangements to monitor the operation of key controls and report any identified deficiencies;
- responsibility for monitoring compliance and the identification of risk within the Company has been assigned to the Risk & Compliance Manager;
- responsibility for financial management has been assigned to the Policy and Funding Manager, a professional accountant.
- there are regular reviews by senior management and the Board of periodic and annual performance and financial reports which outline outturn against targets.

PROCUREMENT

ICCL has procedures in place to ensure that procurement is conducted to achieve the best outcomes for ICCL and its stakeholders.

REVIEW OF EFFECTIVENESS

ICCL's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the ARC which oversees their work, and senior management within ICCL responsible for the development and maintenance of the internal control framework. The Board is apprised of the outcome of all such reviews.

The Board conducted an annual review of the effectiveness of the internal controls for the year ended 31 July 2023.

INTERNAL CONTROL ISSUES

In the period under review, an extensive programme to upgrade IT security arrangements including cyber-related defences was successfully completed with the assistance of specialist external consultants, with provision for intensive regular monitoring.

Signed on behalf of the Board:

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JANE WAI SHADI
Chairperson
20 November 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the Republic of Ireland.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;

- enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
- enable them to ensure that the financial statements comply with both the Companies Act 2014 and the Companies (Accounting) Act 2017, enabling those Financial Statements to be audited.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

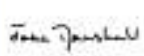
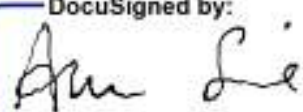
The Directors confirm that to the best of each Director's knowledge and belief, they have complied with the above requirements in preparing the financial statements.

On behalf of the board

Jane Marshall

Ann Smith

20 November 2023

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November 2023
 November 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INVESTOR COMPENSATION COMPANY DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Investor Compensation Company DAC ('the Company'), which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the Company financial statements, including the summary of significant accounting policies set out on page 31. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 July 2023, and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement out on page 24, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: https://iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Brendan Mullally'.

Brendan Mullally

For and on behalf of

RBK Business Advisers

Chartered Accountants and Statutory Audit Firm

Termini

3 Arkle Road

Sandyford

Dublin 18

Date: 20/11/2023

F inancial Statements

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2023

| | | 2023 | 2023 | 2022 | 2022 |
|--|--------------|--------------------|------|--------------------|------|
| | | € | € | € | € |
| INCOME | <i>Notes</i> | | | | |
| Levy Income | | 11,503,667 | | 5,398,503 | |
| Interest Income | | 977,363 | | 6,342 | |
| | | <u>12,481,030</u> | | <u>5,404,845</u> | |
| EXPENDITURE | | | | | |
| Compensation costs and provisions | | | | | |
| Statutory compensation costs | 8 | (114,472) | | 3,257,068 | |
| Administrator costs | 8 | (315,801) | | (43,980) | |
| Compensation related legal costs | | (74,760) | | (965,841) | |
| Other compensation related costs | | <u>(14,763)</u> | | - | |
| | | (519,796) | | 2,247,247 | |
| Administration expenses | 2 | <u>(2,362,474)</u> | | <u>(2,049,987)</u> | |
| TOTAL EXPENDITURE | | <u>(2,882,270)</u> | | <u>197,260</u> | |
| SURPLUS ON ORDINARY ACTIVITIES | 1 | 9,598,760 | | 5,602,105 | |
| Surplus at beginning of year | | <u>88,105,300</u> | | <u>82,503,195</u> | |
| Surplus at 31 July | | <u>97,704,060</u> | | <u>88,105,300</u> | |
| ALLOCATED BETWEEN FUNDS AS FOLLOWS: | | | | | |
| FUND A | 3 | 71,314,817 | | 62,092,089 | |
| FUND B | 3 | <u>26,389,243</u> | | <u>26,013,211</u> | |
| | | <u>97,704,060</u> | | <u>88,105,300</u> | |

The financial statements were approved by the Board of Directors on 20 November 2023 and were signed on its behalf by:

DocuSigned by:

Jane Marshall

Jane Marshall
November 2023

DIRECTORS

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DocuSigned by:

Smith

Smith
November 2023

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BALANCE SHEET AS AT 31 JULY 2023

| | Notes | 2023 € | 2022 € |
|--|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Equipment | 4 | 9,740 | 12,350 |
| Intangible Assets | 4 | 129,590 | 189,410 |
| | | <u>139,330</u> | <u>201,760</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 588,463 | 132,372 |
| Cash and Cash Equivalents | 3 | 72,119,712 | 73,966,578 |
| Short-term investments | 6 | <u>25,787,148</u> | <u>16,937,626</u> |
| | | <u>98,495,323</u> | <u>91,036,576</u> |
| CREDITORS: amounts falling due within one year | 7 | <u>(930,589)</u> | <u>(3,133,032)</u> |
| NET CURRENT ASSETS | | <u>97,564,734</u> | <u>87,903,544</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>97,704,064</u> | <u>88,105,304</u> |
| CREDITORS: Amounts falling due after more than one year | | | |
| Provisions for Compensation Claims & Associated Costs | 8 | - | - |
| NET ASSETS | | <u>97,704,064</u> | <u>88,105,304</u> |
| FINANCED BY: | | | |
| Called-up share capital | 10 | 4 | 4 |
| Funds | 3 | <u>97,704,060</u> | <u>88,105,300</u> |
| | 12 | <u>97,704,064</u> | <u>88,105,304</u> |

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 20 November 2023 and were signed on its behalf by:

DocuSigned by:

Jane Marshall

Jane Marshall
20 November 2023

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Ann Smith

DIRECTORS

DocuSigned by:

Ann Smith

20 November 2023

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

| | <i>Notes</i> | 2023 € | 2022 € |
|--|--------------|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Surplus on ordinary activities | | 9,598,760 | 5,602,105 |
| Adjustments for: | | | |
| Depreciation | | 67,684 | 71,304 |
| (Increase)/Decrease in debtors | | (456,091) | 4,698,237 |
| (Decrease) in creditors and provisions for liabilities and charges | | (2,202,443) | (10,834,953) |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | 7,007,910 | (463,307) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments to acquire equipment | 4 | (5,254) | (400) |
| Payments to acquire intangible assets | 4 | - | (4,921) |
| (Increase) in short-term investments | | (8,849,522) | (16,937,626) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | (8,854,776) | (16,942,947) |
| Net (decrease) in Cash and Cash Equivalents | | (1,846,866) | (17,406,254) |
| Cash and Cash Equivalents at 1 August | | 73,966,578 | 91,372,832 |
| Cash and Cash Equivalents at 31 July | | 72,119,712 | 73,966,578 |

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies, together with applicable Accounting Standards in Ireland have been applied in the preparation of the financial statements.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Irish statute comprising the Companies Act, 2014 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in January 2022, however the amendments arising from the implementation of the EU Accounting Directive in the UK have been dis-applied. The financial statements are prepared in Euro which is the functional currency of the Company. The financial statements have been prepared on a going concern basis.

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the historical cost convention.

LEVY INCOME

Levy income from authorised investment firms is recognised on an accruals basis as income in the period to which the amount levied relates.

Levies outstanding at the Company's year-end are recognised as debtors and appropriate provision is made for bad and doubtful debts.

COMPENSATION COSTS

Compensation costs, including associated third-party costs which have not already been invoiced at year-end, are recognised at the time that the Company becomes aware of an event having occurred which will give rise to a default and when a reliable estimate can be made of the amount of the compensation costs to be paid.

The Company will normally become aware of a default on being informed by the Central Bank of Ireland (the Bank) that:

- a determination has been made by the Bank in accordance with section 31(3) of the Act, or,
- the High Court has made a ruling appointing a liquidator, receiver, the official assignee or a trustee in Bankruptcy in respect of an investment firm.

The Company is subrogated to the rights of each eligible investor in liquidation proceedings against the investment firm in respect of the amount the Company has paid to each eligible investor. This is in accordance with section 35(5) of the Act. Recoveries from subrogation are recognised when receipt is virtually certain. Where recoveries from subrogation are probable but not virtually certain, the Company will not recognise the subrogated income but will make the necessary disclosures in the Contingent Assets note.

ADMINISTRATION EXPENSES

Administration expenses include all costs which are not compensation costs and include costs relating to the ongoing management of the Company, including movement in provision for bad or doubtful debts and bad debts written off in the period under review.

EQUIPMENT AND INTANGIBLE ASSETS

Measurement

Equipment and Intangible Assets are stated at cost less accumulated depreciation and are not revalued.

Depreciation

All Equipment and Intangible Assets are depreciated on a straight-line basis over their anticipated useful lives. The Company applies the use of accounting estimates and judgment in determining the depreciation rates on the basis that they provide an accurate assessment of the anticipated useful lives. These depreciation rates are as follows:

| | | |
|--------------------------|---|-------------|
| Equipment | | |
| Computer equipment | : | 3 – 5 years |
| Intangible Assets | | |
| Computer software | : | 5 years |

Impairment

Equipment and Intangible Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable.

Derecognition

Equipment and Intangible Assets are derecognised when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at its retirement or disposal. Any gains or losses are recognised in the Income and Expenditure Account in the year of retirement or disposal. Gains or losses are determined as the difference between net disposal proceeds and the carrying value of the asset as at the date of the transaction.

CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash on hand and deposits maturing within 3 months. The Company discloses cash and cash equivalents in accordance with FRS 102.

SHORT TERM INVESTMENTS

Short term investments comprise fixed term deposits with a period to maturity of greater than 3 months. The Company discloses short-term investments in accordance with FRS 102.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

FUNDS

In accordance with the provisions of the Act, the Company has established two separate Funds in respect of the various categories of investment firms.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to exercise judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements is in relation to provisions for compensation claims. See note 8 for further information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. SURPLUS ON ORDINARY ACTIVITIES

The surplus on ordinary activities is stated after charging:

| | 2023 € | 2022 € |
|--|-----------|-----------|
| Directors' fees | 149,663 | 148,323 |
| Depreciation | 67,684 | 71,304 |
| Auditors' remuneration for audit services (ex-VAT) | 10,000 | 8,400 |
| Auditors' remuneration for non-audit services (ex-VAT) | - | 1,125 |

The Company's staff is sourced under a secondment arrangement with the Central Bank of Ireland which also provides certain other administrative services to the Company.

The Chairperson and Deputy Chairperson were remunerated €31,500 (2022: €31,500) and €15,750 (2022: €15,750) respectively during the year. The other Directors were remunerated at the rate of €10,350 per annum (2022: €10,350).

The Company does not operate any share option or long-term incentive schemes in respect of qualifying services of Directors. The Company does not operate a retirement benefit scheme in respect of qualifying services of Directors. The Company did not make any compensation payments or other termination payments to directors in respect of loss of office during the current or preceding financial year.

2. ADMINISTRATION EXPENSES

| | 2023 € | 2022 € |
|---|------------------|------------------|
| Staff costs* | 827,637 | 775,712 |
| Directors' fees | 149,663 | 148,323 |
| Directors' expenses | 812 | 350 |
| Other administration expenses including funding costs | 1,307,050 | 1,052,349 |
| Bad debts written off | 1,575 | 22,358 |
| Increase/(Decrease) in provision for bad and doubtful debts | 8,053 | (20,409) |
| Depreciation and amortisation | 67,684 | 71,304 |
| | <u>2,362,474</u> | <u>2,049,987</u> |

* The Company has no direct employees (2022: nil). The average number of secondees were 8.2 full time equivalent (FTE) (2022: 8.0 FTE). Staff costs are included in the charge for administrative services by the Central Bank (refer to note 13 Related Parties).

3. FUNDS

| | Fund A | Fund B | 2023 Total | Fund A | Fund B | 2022 Total |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | € | € | € | € | € | € |
| Levy income | 10,649,870 | 853,797 | 11,503,667 | 4,634,759 | 763,744 | 5,398,503 |
| Interest income | 1,142 | 380 | 1,522 | 1,481 | 390 | 1,871 |
| Investment income | 696,985 | 278,856 | 975,841 | 3,503 | 968 | 4,471 |
| Compensation (costs)/recoveries: | | | | | | |
| Reduction in claims provision | - | - | - | 7,957,068 | - | 7,957,068 |
| Release of insurance recoverable | - | - | - | (4,700,000) | - | (4,700,000) |
| Certified Compensation Costs | (114,472) | - | (114,472) | - | - | - |
| ICCL legal costs | (74,760) | - | (74,760) | (965,841) | - | (965,841) |
| Increase in administration costs | (315,801) | - | (315,801) | (43,980) | - | (43,980) |
| Seconded Costs | (14,763) | - | (14,763) | - | - | - |
| Administration expenses: | | | | | | |
| Bad Debts (written off) | - | (1,575) | (1,575) | (21,600) | (758) | (22,358) |
| (Increase)/ Decrease in provision for bad and doubtful debts | - | (8,053) | (8,053) | 21,600 | (1,191) | 20,409 |
| Other administration expenses | (1,605,473) | (747,373) | (2,352,846) | (1,437,913) | (610,125) | (2,048,038) |
| Surplus for the year | 9,222,728 | 376,032 | 9,598,760 | 5,449,077 | 153,028 | 5,602,105 |
| Surplus at 1 August 2022/2021 | 62,092,089 | 26,013,211 | 88,105,300 | 56,643,012 | 25,860,183 | 82,503,195 |
| Surplus at 31 July 2023/2022 | 71,314,817 | 26,389,243 | 97,704,060 | 62,092,089 | 26,013,211 | 88,105,300 |
| Represented by: | | | | | | |
| Cash and Cash Equivalents | 54,850,813 | 17,268,899 | 72,119,712 | 52,271,221 | 21,695,357 | 73,966,578 |
| Short-term investments | 16,820,000 | 8,967,148 | 25,787,148 | 12,637,626 | 4,300,000 | 16,937,626 |
| Fixed assets | 69,665 | 69,665 | 139,330 | 100,880 | 100,880 | 201,760 |
| Debtors | 441,210 | 147,253 | 588,463 | 113,421 | 18,951 | 132,372 |
| Creditors | (518,626) | (63,720) | (582,346) | (2,247,170) | (101,975) | (2,349,145) |
| Provision for liabilities and charges | (348,243) | - | (348,243) | (783,887) | - | (783,887) |
| Share capital | (2) | (2) | (4) | (2) | (2) | (4) |
| Total | 71,314,817 | 26,389,243 | 97,704,060 | 62,092,089 | 26,013,211 | 88,105,300 |

The income and expenditure is allocated between Funds as follows:

Costs, which are directly attributable to a particular Fund, are allocated to that Fund. Costs, which are directly related to the number of firms paying into each Fund, are allocated on that basis. Commitment fees associated with commercial borrowing arrangements are allocated 2/3rds to Fund A and 1/3rd to Fund B, except where a Fund has reached its target level, whereby the costs become directly attributable to a particular Fund. Other costs are allocated equally between the Funds

4. EQUIPMENT AND INTANGIBLE ASSETS

Equipment

| | 2023 € | 2022 € |
|-----------------|--------------------|---------------------|
| Cost: | | |
| At 1 August | 57,575 | 59,338 |
| Additions | 5,254 | 400 |
| Disposals | (1,898) | (2,163) |
| | <hr/> | <hr/> |
| At 31 July | 60,931 | 57,575 |
| Depreciation: | | |
| At 1 August | 45,225 | 34,578 |
| On Disposals | (1,898) | (2,163) |
| Charge for year | 7,864 | 12,810 |
| | <hr/> | <hr/> |
| At 31 July | 51,191 | 45,225 |
| Net book value: | | |
| At 31 July | <hr/> <u>9,740</u> | <hr/> <u>12,350</u> |

Intangible Computer Software

| | 2023 € | 2022 € |
|-----------------|----------------------|----------------------|
| Cost: | | |
| At 1 August | 314,904 | 309,983 |
| Additions | - | 4,921 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 July | 314,904 | 314,904 |
| Amortisation: | | |
| At 1 August | 125,494 | 67,000 |
| On Disposals | - | - |
| Charge for year | 59,820 | 58,494 |
| | <hr/> | <hr/> |
| At 31 July | 185,314 | 125,494 |
| Net book value: | | |
| At 31 July | <hr/> <u>129,590</u> | <hr/> <u>189,410</u> |

The historic cost of fully depreciated assets as at 31 July 2022 was €52,750 (2022: €50,013)

5. TRADE AND OTHER RECEIVABLES

| | 2023 | 2022 |
|---|----------------|-----------------|
| | € | € |
| (a) Debtors and Accrued Income: | | |
| Debtors (after provision for bad and doubtful debts) | 2,092 | 6,854 |
| Accrued income & prepayments | 586,371 | 125,518 |
| | <u>588,463</u> | <u>132,372</u> |
| (b) Bad debts written-off during the year: | <u>€ 1,575</u> | <u>€ 22,358</u> |
| (c) Movement in respect of the provision for bad and doubtful debts: | € | € |
| Opening provision for bad & doubtful debts | 10,117 | 30,526 |
| Closing provision for bad & doubtful debts | <u>18,170</u> | <u>10,117</u> |
| Increase/(decrease) in provision | <u>8,053</u> | <u>(20,409)</u> |

6. SHORT-TERM INVESTMENTS

| | 2023 € | 2022 € |
|---------------------|-------------------|-------------------|
| Fixed term deposits | 25,787,148 | 16,937,626 |
| | <u>25,787,148</u> | <u>16,937,626</u> |

Short term investments are comprised of fixed term deposits with a period to maturity of greater than 3 months. Fixed term deposits are measured at amortised cost.

MATURITY PROFILE

| | 2023 € | 2022 € |
|---------------|-------------------|-------------------|
| 3 – 6 months | 16,204,336 | - |
| 6 – 9 months | - | - |
| 9 – 12 months | 9,582,812 | 16,937,626 |
| | <u>25,787,148</u> | <u>16,937,626</u> |

AVERAGE INTEREST RATE

| | 2023 % | 2022 % |
|---------------|-----------|-----------|
| 3 – 6 months | 3.25 | 0.00 |
| 6 – 9 months | 0.00 | 0.00 |
| 9 – 12 months | 3.93 | 0.10 |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 € | 2022 € |
|---|----------------|------------------|
| Certified Compensation claims | 411,501 | 577,465 |
| Central Bank of Ireland (Administration charges) | 66,967 | 119,150 |
| Directors' fees and expenses | 13,062 | 28,470 |
| Prepaid levies | 1,879 | 2,628 |
| Other | 88,937 | 1,621,432 |
| Provision for compensation claims and associated costs (note 8) | 348,243 | 783,887 |
| | <u>930,589</u> | <u>3,133,032</u> |

8. PROVISIONS FOR COMPENSATION CLAIMS & ASSOCIATED COSTS

| | Fund A Claims | Total Claims | 3rd Party Costs (Fund A) | Total |
|--|--------------------------|---------------------|--|--------------|
| | € | € | € | € |
| Opening provision at 1 August 2021 | 12,280,558 | 12,280,558 | 248,306 | 12,528,864 |
| (Decrease)/Increase in provision | (7,957,068) | (7,957,068) | 43,980 | (7,913,088) |
| Payments during the year | (3,572,045) | (3,572,045) | (259,844) | (3,831,889) |
| Provision at 31 July 2022 and at 1 August 2022 | 751,445 | 751,445 | 32,442 | 783,887 |
| Increase in provision | - | - | 315,801 | 315,801 |
| Payments during the year | (751,445) | (751,445) | - | (751,445) |
| Closing Provision at 31 July 2023 | - | - | 348,243 | 348,243 |
| Represented by: | | | | |
| Amounts falling due within one year | - | - | 348,243 | 348,243 |
| Amounts falling due after one year | - | - | - | - |

(A) CUSTOM HOUSE CAPITAL LIMITED (FUND A)

At the financial year ended 31 July 2023, there was no provision in respect of compensation payable to eligible clients of Custom House Capital Limited.

At 31 July 2022, the Administrator had certified 2,164 claimants resulting in compensation of €10,991,487. In the year under review, the Administrator made substantially completed the certification of claimants compensatable losses for payment by the ICCL. During the financial year ended 31 July 2023, the

Administrator certified a further 176 claimants with compensation of €865,917 due, of which the ICCL had provided for €751,445. The release of the CHC claims provision of €751,445 against the certifications of €865,917 resulted in a charge to the income and expenditure statement of €114,472. As at 31 July 2023, the Administrator had certified 2,340 claimants with aggregate compensation payable of €11,857,404.

The Administrator, as at 31 July 2023, advised the ICCL that there was 1 claim pending certification. The ICCL has considered the information as provided by the Administrator and has determined that it is not appropriate to make any provision for claims compensation related to CHC.

As at 31 July 2023 the Company has a provision of €33,057 (2022: €32,442) towards the costs of the Administrator for the completion of the Administration process which are payable by the Company in accordance with the provisions of the Act. During the year ended 31 July 2023 the Administrator did not submit any charges to the ICCL for certification related fees (2022: €259,844).

(B) BLACKBEE INVESTMENTS LIMITED (FUND A)

On 19 May 2023, the High Court revoked the authorisation of Blackbee Investments Limited ("BBIL") on the petition of the Central Bank of Ireland, and, appointed Luke Charleton and Colin Farquharson as joint official liquidators of BBIL, a MiFID investment firm. On the same date, the High Court also appointed Luke Charleton and Colin Farquharson as joint Administrators of BBIL in accordance with section 33A of the Investor Compensation Act ("the Act"). In accordance with section 32(1) of the Act, the ICCL is required to invite claims for compensation from clients of BBIL within 5 months from the date of the appointment of the joint Administrators.

In advance of 31 July 2023, the joint Administrators of BBIL supplied the ICCL with a list of 1,547 clients of BBIL. As of 31 July 2023, ICCL was in the process of inviting claims for compensation from all eligible clients of BBIL. In the intervening period since 31 July 2023, it has come to the attention of the ICCL, that a further 503 clients of BBIL existed as of 31 July 2023. In total, the ICCL has invited claims from 2,050 clients of BBIL. The processing of claim forms returned by clients is expected to take a number of months. The ICCL has considered all relevant information available to it up to the date of the approval of the financial statements, including as provided by the joint Administrators, and has determined that it is not appropriate to make any provision for claims compensation related to BBIL at this time.

As at 31 July 2023 the ICCL has made a provision of €315,186 towards the costs of the joint Administrators for the completion of the Administration process in respect of 2,050 claim applications, such costs being payable by the ICCL in accordance with the provisions of the Act.

9. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT ASSETS

There were no Contingent Assets at 31 July 2023.

CONTINGENT LIABILITIES

Blackbee Investments Limited (In Liquidation) [“BBIL”]

The Company exists to provide compensation to clients of an investment firm in certain circumstances, including where the Courts have ruled the firm is unable to meet its obligations. Blackbee Investments Limited (BBIL) is a Fund A investment firm authorised under the European Union (Markets in Financial Instruments) Regulations 2017, in respect of which the High Court made such a ruling on 19 May 2023. On the same date Luke Charleton and Colin Farquharson were appointed as joint official liquidators to BBIL. They were also appointed as joint Administrators for the purposes of the 1998 Investor Compensation Act. The matters giving rise to the High Court ruling appear to have arisen over a number of years prior to the Company’s year end of 31 July 2023. Based on their review of the High Court ruling, the Affidavit of Claire McGrade (Head of Resolution at the Central Bank of Ireland) and inquiry of the joint official liquidators (*qua joint Administrators*), the directors do not believe it is more likely than not that the Company will pay compensation to eligible investors. Consequently, they do not believe it is necessary or possible, as at the date of approval of these financial statements, to make a reliable estimate of the amount of compensation, because the extent of compensation payable by the Company will depend, amongst other factors, on the following uncertainties:

- whether any losses are identified within the client asset estate of BBIL;
- whether any losses, if identified, are derived from regulated or unregulated investment products,
- the number of clients that meet the definition of an “eligible investor”,
- the extent to which any losses, if identified, are suffered by “eligible investors” and deemed compensatable,
- the extent of losses, if identified, are suffered by eligible investors (which in many instances will depend on the performance of an underlying investment product),
- the nature, and extent of discretion, of the mandates which investors had given to BBIL,
- whether the joint official liquidators’ have access to records enabling them to reconcile records and establish clients positions, and
- the financial position of BBIL itself.

The directors of ICCL understand that BBIL held and managed significant client funds and investments. However, the specific issues which were identified by the Central Bank of Ireland and which led to the appointment of joint official liquidators’ to BBIL on 19 May 2023 were:

- the collapse of BBIL’s corporate governance and key control functions,
- the regulatory and supervisory engagement that occurred between the Bank and BBIL during a period of more than two years,

- the persistent failure on the part of BBIL to comply with its regulatory and prudential obligations to the Bank and to clients and investors,
- the failure on the part of BBIL to address the Bank's longstanding concerns with respect to BBIL's ability to satisfy its regulatory capital requirements in the short to medium term,
- the failure on the part of BBIL to appoint and retain suitably qualified persons to important roles such as INED, Chairperson and Head of Compliance for the duration of any sale or wind-down strategy.

The directors of ICCL are not aware that any shortfall of client money or client financial instruments, has been confirmed either by the Central Bank of Ireland, through its regulatory or supervisory engagement of BBIL, or, by the joint official liquidators since their appointment on 19 May 2023.

If a shortfall of client money or client financial instruments, is identified by the joint official liquidators, the compensation payable by the Company to any one eligible investor is limited to the lesser of 90% of an eligible investor's compensatable loss or €20,000. The ICCL issued approximately 2,050 claim application forms to clients of BBIL and requested that these be returned ideally by 31 October 2023, though no later than the statutory deadline of 16 November 2024. If losses are identified by the joint official liquidators, and compensation becomes payable, the net compensation payable by the Company is expected to be limited by an insurance policy which provides cover for claims in excess of €15 million up to a maximum of €100 million in the case of Fund A claims.

The joint official liquidators *qua* joint Administrators have advised the ICCL that they are unable to provide the ICCL with an estimate of the compensatable loss which the ICCL may be required to pay to eligible investors, should a shortfall of client money or client financial instruments be identified by the joint official liquidators. The directors of ICCL understand from engagement with the joint official liquidators' that it is likely to take significant experienced resources several months to resolve all individual client positions. It should also be noted that a full reconciliation may prove difficult if not impossible where proper documentation and a proper financial trail cannot be confidently established. As a detailed reconciliation is undertaken, other issues may arise.

Custom House Capital Limited (In Liquidation)

During the year ended 31 July 2023 one late claim for compensation arose. The Company has determined that no provision was required at 31 July 2023 in respect of the sole outstanding claim that is yet to be certified by the Administrator (2022: €751,445).

Money Markets International Stockbrokers Limited (In Liquidation) [“MMI”]

All submitted compensation claims were certified and paid by September 2008. Although the Liquidation of MMI is ongoing, the ICCL does not believe that the failure of MMI will result in any further payment of compensation under the Act. During the year ended 31 July 2023 no late claims for compensation arose. The Company has determined that no further provision was required at 31 July 2023 (2022: €NIL).

Asset Management Trust [“AMT”]

AMT was a Fund B firm authorised under the Investment Intermediaries Act, 1995, in respect of which, the Central Bank of Ireland, on 29 February 2016, made a determination in accordance with Section 31 of the Investor Compensation Act, 1998. The statutory deadline for clients of AMT to apply for compensation has passed. All submitted compensation claims were certified and paid in prior reporting periods. During the year ended 31 July 2023 no late claims for compensation arose. The Company has determined that no further provision was required at 31 July 2023 (2022: €NIL).

10. SHARE CAPITAL

| | 2023 € | 2022 € |
|----------------------------------|-----------|-----------|
| AUTHORISED: | | |
| 10 Ordinary shares of €1.25 each | 13 | 13 |
| | <hr/> | <hr/> |
| ISSUED AND FULLY PAID: | | |
| 3 Ordinary shares of €1.25 each | 4 | 4 |
| | <hr/> | <hr/> |

The Investor Compensation Company DAC is a company limited by guarantee and having a share capital. There are three shareholders, the Central Bank of Ireland, the Irish Stock Exchange plc and the Irish Association of Investment Managers, each holding one share. The amount to be paid by each shareholder in the event of the Company being wound up is limited to €6.00.

On 2 December 2002, by a special resolution of the shareholders, the authorised share capital of the Company was changed to €12.50 and the ordinary shares were renominalised with a par value of €1.25 each. The amount equal to the reduction in nominal value of the allotted share capital was transferred to a capital conversion redemption fund. The capital conversion redemption fund has not been disclosed on the face of the balance sheet or in the notes to the financial statements as it is not deemed material. (Amounts relating to share capital have been rounded-up in the Financial Statements).

11. TAXATION

The Company is exempt from Corporation Tax in accordance with section 219B of the Taxes Consolidation Act, 1997 (as amended). The Company is also exempt from Deposit Interest Retention Tax in accordance with section 256 of the Taxes Consolidation Act, 1997 (as amended).

12. MOVEMENTS IN TOTAL FUNDS

| | Share Capital attributable to Shareholders € | Attributable to Funds € | Total € |
|----------------------|---|-------------------------------|------------|
| At 1 August 2022 | 4 | 88,105,300 | 88,105,304 |
| Surplus for the year | - | 9,598,760 | 9,598,760 |
| | <hr/> | <hr/> | <hr/> |
| At 31 July 2023 | 4 | 97,704,060 | 97,704,064 |

13. RELATED PARTIES

The following transactions took place between the Company and its related party, the Central Bank of Ireland:

| | 2023 € | 2022 € |
|--|-----------|-----------|
| Administration costs chargeable to the Company by the Central Bank of Ireland for services provided | 977,726 | 852,531 |

At 31 July 2023 a balance of €66,967 (2022: €119,150) was due to the Central Bank of Ireland. This was paid in full on 10 November 2023 (2022: 26 August 2022). Details of Directors’ fees and expenses are disclosed in Note 1.

14. EVENTS AFTER THE REPORTING PERIOD

No material events have occurred subsequent to the reporting date which would require disclosure in the financial statements.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on 20 November 2023.

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