FSC

Financial Services Commission

Gibraltar

Annual Report 2008

Our Mission Statement

To provide financial services regulation in an effective and efficient manner in order to protect the public from financial loss and enhance Gibraltar's reputation as a quality financial centre

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Chairman's Report for the year ended 31 March 2008

Welcome to the Annual Report of the Gibraltar Financial Services Commission (the Commission). This report contains a description of the work of the Commission as well as its reports and accounts.

This is my first report as Chairman of the Commission having taken over the post following the division of the roles of Chairman and Chief Executive under the Financial Services Commission Act 2007.

First I would like to take this opportunity to thank the Chief Executive and his team for their dedicated work over the year and their professionalism. The continual evolution and innovation of financial markets puts a premium on the need for regulators to be able to recruit and retain high quality staff. This continues to be our aim. The Chief Executive, Marcus Killick, who last year became the longest serving head of the Commission in its history , has continued to lead the Commission staff with vigour and determination. The Commission is fortunate to be able to retain his services. I am particularly grateful to my colleagues on the Commission for their contributions to the work of the Commission over the past year.

The Commission and its Statutory Duties

During the year, the Commission was focused on its statutory duties. These duties are set out in the Financial Services Commission Act and include the following regulatory objectives:

(a) the promotion of market confidence;
(b) the reduction of systemic risk;
(c) the promotion of public awareness;
(d) the protection of the good reputation of Gibraltar;
(e) the protection of consumers; and
(f) the reduction of financial crime.

In respect of those areas of financial services business where EU law applies the Commission is required to supervise and regulate financial services business in accordance with European Union obligations and in those areas to establish and implement standards and supervisory practices which match the standards and supervisory practices governing the provision of financial services in the United Kingdom.

The Commission is also required to advise the Government if, at any time, it considers that legislation does not provide it with sufficient powers or it does not have such financial, technical and other resources, and such personnel, as are necessary to enable it to supervise and regulate financial services business to internationally accepted standards.

Matching UK standards

The Commission interprets this statutory requirement to match UK standards as meeting the regulatory objectives (which both the UK FSA and Commission share), to the same extent as the FSA does, but not necessarily in the same way. Our focus is therefore upon the outcome of those processes - for example do they achieve the same level of market confidence and consumer protection as do the practices in the UK?

To focus on the processes themselves is not, in the Commission's view, a productive approach. Given the differences between the UK and Gibraltar markets and social environments, the simplistic replication of a regulatory process may, in fact, lead to the end objective being missed or achieved to a lesser degree.

The differences between the UK and Gibraltar environments will occasionally mean that supervision in Gibraltar is tighter than in the UK; for example the UK does not operate a programme of on-site visits to all its regulated firms, nor indeed does it regulate as wide a range of financial service providers as does Gibraltar. On other occasions the Gibraltar regime can adopt a case-by-case approach more than the UK does but with no reduction in overall supervisory standards.

The work of the Commission

The main work of the Commission is of regulatory supervision. This includes the assessment of applications from firms wishing to conduct regulated activities, ongoing supervision of regulated firms (both through the review of returns and by a regular programme of on-site visits) and the taking of disciplinary or enforcement action where required. The Commission has a wide range of powers including the issue of directions or imposing conditions upon a licensee. In an extreme case a licence can be revoked.

The Commission is organised by industry groups with three supervisory divisions covering banking and investment services, insurance and fiduciary services and enforcement division. These divisions are supported by strong administrative and IT resources.

It is important that the Commission uses its resources as efficiently and effectively as possible. In order to achieve this, we focus upon the risks faced both by the Commission and the firms it regulates, and how these risks may be mitigated.

A regular programme of on-site visits to all licensed firms is now in place. The initial visits form part of the risk assessment process and the firm is then placed on the appropriate cycle for future visits. These cycles are normally 12, 24 or 36 months. Being on a short cycle does not automatically mean that the Commission has concerns with the firm. Its size, nature of business and customer type also impact upon how frequently we conduct our visits.

In addition to its supervisory duties the Commission performs a number of other tasks including advising Government on new financial services legislation. It also undertakes additional tasks requested by Government including the recent revision of Anti Money Laundering Guidance Notes. The Commission is also the Competent Authority under the Market Abuse and Prospectus Acts.

The Commission has also continued to participate in the development of international regulatory standards through its participation in the International Association of Insurance Supervisors (IAIS) and the International Organisation of Securities Commissions (IOSCO).

Other work includes the giving of assistance where appropriate to other regulators in the conduct of their regulatory responsibilities.

The Commission also "patrols the perimeter" including monitoring of the media and the internet in order to identify possible unlicensed financial service activity. Where this is detected, swift action is taken to resolve the position. If necessary the Commission will invite the Attorney General to bring criminal charges against those found to be conducting licensable activity without authorisation.

The Commission also receives complaints about licence-holders. These complaints primarily relate to alleged miss-selling of investment products. The Commission's remit does not extend to adjudicating on whether mis-selling has taken place and if so what compensation may be appropriate. Such action, under Gibraltar law, is the responsibility of the Courts and recourse to the Courts, of course, continues to be available to consumers. Notwithstanding this, the Commission takes an active interest in such complaints as these may point to regulatory breaches on the part of the firm.

The Commission's supervisory framework is not designed to ensure that any given institution cannot fail. Rather it remains a balance between seeking to mitigate risk while fostering innovation and competition. The primary responsibility for the management of a financial institution rests with its board and executive management. The Commission's supervisory framework is designed to be proactive in seeking to ensure that the board and the executive of regulated firms discharge their responsibilities. As the Commission's funding remains finite the allocation of Commission resources has, therefore, to be on a risk-based and proportionate basis.

Internal Governance

The Commission comprises 8 members, including the Chief Executive Officer. During the year Oonagh McDonald, one of longest serving and outstanding Commission Members, stood down when her term of office came to an end, and was replaced by Nigel Feetham, a partner at a leading local law firm. Attendance at meetings is detailed on the Commission's website www.fsc.gi

The Commission follows the Combined Code of Corporate Governance in so far as it is appropriate.

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To assist its work the Commission has appointed two Committees in May 2007, the Nominations Committee and the Remuneration Committee. The role of the Nominations Committee is to lead the process of appointment of the Chief Executive Officer and Commission members and to make recommendations to the Commission and the Chief Minister as appropriate. It is chaired by the Chairman of the Commission and its other members are the senior independent member (Mark Boleat) and the Chief Executive Officer. Another Commission member would replace the Chief Executive Officer when that appointment is being considered. There has been no requirement for the Committee to meet in the year under review.

The senior independent member, Mark Boleat chairs the Remuneration Committee; its other members are the Chairman of the Commission and Franco Cassar. Its role is to review the performance of the Chief Executive Officer and Chief Operations Officer, to agree their objectives for the year ahead and decide on their remuneration. It normally meets twice a year. It reports to the Commission as appropriate, normally once a year

An Audit Committee has been in place since 2004. The role of the Audit Committee is to monitor the integrity of the financial statements, to review the Commission's internal financial controls and to approve the terms of engagement of the external auditors. It reports to the Commission, identifying matters in respect of which it considers that action or improvement is needed, and makes recommendation on any steps to be taken. The Committee comprises Joseph Caruana, as Chairman, and Mark Boleat. During the year the Committee met twice.

The full terms of reference of all Committees can be found on the Commission's website.

Statement of the Commission's responsibilities

The Commission is required by the Financial Services Commission Act 2007 to keep proper accounting records of its income and other receipts and expenditures during each financial year and to prepare accounts which give a true and fair view, in the case of the balance sheet of the finances as at the end of the financial year and in the case of the income and expenditure account, of the surplus or deficit for that financial year.

In preparing those accounts, the Commission:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepares the accounts on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation.

The Commission also makes available to the auditors, as and when required, all the accounting records and all other relevant records and related information, including minutes of all Commission meetings. It also safeguards the assets of the Commission and takes reasonable steps for the prevention and detection of fraud, error or non-compliance with law or regulations.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

I commend the report to you.

Brian Hilton CB
Chairman
7 July 2008

Chief Executive's Report for the year ended 31 March 2008

Challenging times

2007 proved to be one of the most financially tumultuous in recent years. The credit crunch, Northern Rock, oil price hikes and falling house prices in many countries left the financial industry, consumers and regulators battered to some extent or another. 2008 is unlikely to see any major relief.

In the time ahead many questions will be asked of the global regulatory system. Should the regulators have seen the problems ahead? Could they have done more to prevent them? Did they handle the situation well when it occurred? Do they have the necessary tools to deal with the issues going forward?

Some answers have begun to emerge. Clearly the lack of effective mortgage regulation in the USA was a significant factor. The risks of some instruments were unknown to the banks which sold them and their regulators. Some regulatory supervision was, at best, sloppy.

Simply because Gibraltar and the FSC itself have not been affected to date does not mean there are not lessons we too can learn. For this reason the Executive of the Commission along with the Commission members are conducting a detailed exercise to see where we can improve our processes and approach. The results of this exercise will form a significant element of our business plan moving forward.

It is important to remember that our supervisory framework is not designed to ensure that any given institution cannot fail. Rather, it remains a balance between seeking to mitigate risk while fostering innovation and competition (which by definition involve risk). We have finite funding and our allocation of resources must therefore be on a risk-based and proportionate basis.

A successful regulator has to seek constantly to learn, change and improve. Financial markets are in a state of continual evolution and innovation. The concept that there is a fixed optional approach to supervision is not credible. Rather, in our view, the most effective regulatory system is one which has the capacity to respond flexibly to changing risks as assessed against FSC principles.

The Executive of the FSC remain of the view that the current split between business areas (Banking and Investment Services, Fiduciary Services and Insurance) remains appropriate. A structural change to, for example, retail and wholesale would be unnecessary and potentially dangerous because of the disruption it may cause. The current split facilitates the continuity of supervision found to be lacking at the FSA in the case of Northern Rock.

Similarly we believe our current risk based approach is adequate and that the creation of a category of "high impact" firms, i.e. those defined simply by the damage their collapse would create, is not necessary. Rather, we will maintain our existing definition of "high risk high mediation".

Recognising the obligations set out in the Financial Services Commission Act 2007, our regulatory approach, like that of the FSA, remains grounded on the principle that the primary responsibility for the management of a financial institution rests with its board and executive management. Our supervisory framework is designed to be proactive in seeking to ensure that the board and executive of firms discharge their responsibilities.

It is with these issues and the challenges before us all that I have prepared my first report as CEO rather than Commissioner.

Review of our activities 2007-2008

2007/08 saw yet further growth in Gibraltar's financial sector. This growth has been across a wide range of areas, but particularly in insurance and investment services. The continued growth of the Experienced Investor Fund regime has also resulted in a welcome expansion in the fund industry here.

During the year to the end of March 2008 the following significant financial services related EU directives were introduced in Gibraltar :

Markets in financial instruments Directive 2004/39/EC – transposed via the Financial Services (Markets in Financial Instruments) Act 2006 and the Financial Services (Markets in Financial Instruments) Regulations 2007.

The Third Money Laundering Directive 2005/60/EC effective on the 15th December 2007 - transposed via the FSC's revised Anti Money Laundering Guidance Notes.

The Distance Marketing of Financial Services Directive (2002/65/EC) – transposed via the Financial Services (Distance Marketing) Act 2006.

The Reinsurance Directive 2005/68/EC– transposed via the Insurance Companies (Reinsurance Directive) Regulations 2007.

International Cooperation

The downturn of 2007 demonstrated clearly the interconnectivity of the global financial system and problems spread like a plague from one jurisdiction to another.

To help deal with this strong international regulatory cooperation is required. Those centres that do not play a role in this will quickly see themselves marginalised and excluded. The Commission has continued to cooperate effectively with other regulators in accordance with international expectations.

The Government is currently considering a proposal from the Commission for new legislation to ensure we are able to continue to play our part in this cooperation.

Enforcement Action

We also work closely with the law enforcement authorities to seek the prosecution of criminal matters and to counter abuse of the financial system. During the year we exercised our enforcement powers on a number of occasions. We also cooperated with a number of other regulators in their enforcement actions.

Speed

In a modern finance centre unnecessary delay is a material impediment to growth. The need to compete requires the ability to respond swiftly both to changing circumstances and to enable the industry to bring out new products and services.

Economic downturns exacerbate rather than reduce this requirement. At the FSC we seek to provide a fast, effective service. At the beginning of 2008 we introduced service standards across a number of our areas. On a quarterly basis we publish on our website our adherence to these standards. We will further develop these over the months ahead to include other areas.

Commission finances

In 2007 the Commission benefited from an increase in fee income. The accounts set out below show a surplus of £476,258 for the year. It is vital that the FSC continues to have the resources to undertake its statutory duties. To this end we have established a firm financial position and, for the first time in the Commission's history, no longer require any government subvention. Indeed as at 31 March 2008 the reserves of a little over £1 million equated to 57%, or nearly seven months, of the total expenses figure.

As a result, when considering the fees for 2008 we have decided that there will be no need for increases.

Staffing

Like every regulator around the world, the Commission has been and continues to be faced with a significant increase in its workload. In addition to the expansion of the risk assessment programme of firms and the increase in work to improve public awareness, the Commission will be working with firms in the year ahead to enhance further the level of training and competency in the finance sector. The costs of undertaking our supervisory activities were further increased as new EU directives were implemented (in particular MIFiD) and the financial industry continued to grow. The Commission also assumed responsibility for Pension Fund Trustees.

The increased work of the Commission has required additional resources and during the year we welcomed seven new members of staff. This took our complement of staff to 30 by the end of March. Further recruitment will take place in 2008/09. There were also two staff departures. We thank them all for their work and wish them well.

In accordance with our succession planning, in late 2007 the Commission began the process of recruiting a replacement for Chris Collins, the Head of Insurance Supervision who is retiring from the Commission in October 2008 after six years in post. Chris has been a valuable member of the team and has overseen a more than doubling of the size of the insurance sector. As his replacement we are delighted to have secured the services of Michael Oliver who will join us in August from his previous post as Head of Insurance Supervision at the BVI Financial Services Commission.

Whilst there are fewer new pieces of legislation planned for this year the work of the Commission will continue to increase. We will shortly assume responsibility for supervising money transmitters and bureaux de change.

We also continue to build the strength of an already internationally recognised regulatory team at the Commission through our participation in the pilot “Investors in People” programme and our continued commitment to ISO 9001:2000.

I would like to thank all my colleagues for their hard work, professional approach and dedication during the last year.

Marcus Killick
Chief Executive Officer
7 July 2008

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INDEPENDENT AUDITORS' REPORT TO THE FINANCIAL SERVICES COMMISSION

Report on the financial statements

We have audited the financial statements of the Financial Services Commission for the year ended 31 March 2008 which comprise the income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Commission's responsibilities for the financial statements

The Commission is responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibilities

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

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the Commission's affairs as at 31 March 2008 and its profit for the year then ended.

PRICEWATERHOUSECOOPERS

INDEPENDENT AUDITORS' REPORT TO THE FINANCIAL SERVICES COMMISSION - continued

Report on other legal and regulatory requirements

In addition to reporting on the financial statements, Gibraltar legal and regulatory requirements also require us to report to you our opinion as to whether the Commission has kept proper accounting records, whether the Commission's Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the accounting records, if we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, and whether the Commission has discharged with diligence its obligations in relation to the collection of its revenues.

Opinion

In our opinion:

1. proper accounting records have been kept by the Commission;

2. the Commission's Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the accounting records;

3. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; and

4. the Commission has discharged with diligence its obligations in relation to the collection of its revenues.

Other matters

This report, including the opinions, has been prepared for and only for the Commission as a body in accordance with Section 16 of the Financial Services Commission Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Registered Auditors

Gibraltar
29 July 2008

The maintenance and integrity of the Gibraltar Financial Services Commission web site is the responsibility of the Commission; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Gibraltar governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income and Expenditure Account
For the year ended 31 March 2008

	Notes	2008 £		2007 £
INCOME				
Fees receivable	3	2,139,760		1,502,730
Interest receivable		59,039		35,520
TOTAL INCOME		2,198,799		1,538,250
EXPENDITURE				
Staff expenses	4	1,409,974		1,169,939
Establishment costs		144,940		127,648
Other operating expenses		96,159		96,828
Commission members fees	5	90,083		79,542
Legal and professional fees		90,639		102,975
Auditors remuneration		5,500		6,500
Depreciation	6	41,795		38,568
Other professional charges		13,451		14,455
TOTAL EXPENDITURE		1,892,541		1,636,455
OPERATING PROFIT/(LOSS)		306,258		(98,205)
Gibraltar Government Contribution		170,000		170,000
RESULT FOR THE YEAR	£	476,258	£	71,795

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding year.

The notes on pages 14 to 17 form part of these financial statements.

Balance Sheet
As at 31 March 2008

	Notes		2008 £		2007 £
FIXED ASSETS					
Tangible assets	6		79,278		97,207
CURRENT ASSETS					
Debtors and prepayments	7		75,641		46,160
Fixed term deposits			904,006		414,879
Cash at bank and in hand			101,282		104,371
			1,080,929		565,410
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8		67,793		46,461
NET CURRENT ASSETS			1,013,136		518,949
NET ASSETS		£	1,092,414	£	616,156
FINANCED BY:					
GENERAL FUND	9	£	1,092,414	£	616,156

The financial statements on pages 12 to 17 were approved by the Commission on 7 July 2008 and signed on its behalf by:

Marcus Killick
Chief Executive Officer

Brian Hilton
Chairman

The notes on pages 14 to 17 form part of these financial statements.

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting
The financial statements are prepared in accordance with Gibraltar Accounting Standards. The particular accounting policies adopted by the Commission are described below.

Accounting convention
The accounts are prepared under the historical cost convention.

Cash Flow Statement
The Commission is exempt from the requirement to prepare a cash flow statement under the provisions of Financial Reporting Standard 1 (Revised) on the grounds of the Commission's size.

Income
Annual Renewal Fees due under the Banking, Insurance and Financial Services Acts are recognised on an invoiced basis, whilst all other fee income is recognised on a receipts basis.

Interest receivable is accounted for on an accruals basis.

Depreciation
Depreciation has been calculated so as to write off the cost of fixed assets on a straight line basis over their expected useful economic lives at the following annual rates:

Motor Vehicles	20%
Office Furniture and Fittings	20%
Office Equipment:	
General	20%
Computers	33 1/3%

Leasehold Improvements
As in previous years, leasehold improvements are written-off in the year in which they occur.

Pension costs
The Financial Services Commission operated a money purchase pension scheme called the Financial Services Commission Retirement Benefit Scheme on behalf of its employees. In 2006 this scheme was replaced by the Gibraltar Provident Trust (No. 3) Pension Scheme. Costs are accounted for on an accruals basis and are recognised in the income and expenditure account in the year in which they are incurred.

Government contributions
Government contributions are recognised in the Income and Expenditure Account on a receipt basis.

General Fund
The General Fund represents the retained earnings of the Commission and includes the Special Reserve which is a memorandum account within the General Fund reflecting the accumulated unutilised portion of Government contributions. The Special Reserve is available to the Commission to fund deficits in operating income in future years and is not repayable to Government. As such it is deemed to form part of the General Fund.

Notes to the Financial Statements

2. TAXATION

Under the provisions of the Financial Services Commission Act, the income of the Commission is exempt from income tax.

3. FEES RECEIVABLE

		2008		2007
		£		£
Financial Services Acts		1,088,693		756,055
Banking Act		184,000		158,000
Insurance Companies Act		787,000		506,000
Others		80,067		82,675
	£	2,139,760	£	1,502,730

4. STAFF EXPENSES

		£		£
Salaries		1,145,671		948,131
Social security costs		35,853		31,137
Pension costs		96,351		76,043
Other staff costs		132,099		114,628
	£	1,409,974	£	1,169,939

The Chief Executive Officer received total remuneration of £263,044 (2007: £193,672) comprising a basic salary of £178,835 (2007: £160,000), a bonus in respect of the previous year of £16,000 and benefits of £68,209 (2007: £33,672).

The average number of employees for the year was 27 (2007: 23).

Regulatory	22	18
Administration	5	5
Total staff employed	27	23

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Notes to the Financial Statements

5. COMMISSION MEMBERS' FEES

Fees paid to the Members of the Commission were as follows:

		2008 £	2007 £
Oonagh McDonald	Retired 28 May 2007	2,875	11,500
Mark Boleat		12,375	11,500
Brian Hilton		14,875	11,500
James Neish	Retired 31 July 2006	-	2,875
Joseph Caruana		12,375	11,500
Franco Cassar		12,375	11,500
Alan Whiting		12,375	11,500
Robert Vasquez	Appointed 1 August 2006	12,375	7,667
Nigel Feetham	Appointed 28 May 2007	10,458	-
		£ 90,083	£ 79,542

The fees paid to the Members of the Commission increased from £11,500 p.a. to £15,000 p.a. with effect from 1 January 2008. With the new governance arrangements the Commission now has a Chairman. The fee for the Chairman has been fixed at £25,000 p.a.

6. TANGIBLE ASSETS

	Office Furniture & Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost				
As at 1 April 2007	74,596	141,367	25,339	241,302
Additions	10,917	13,006	-	23,923
Disposals	(2,747)	(8,338)	-	(11,085)
As at 31 March 2008	82,766	146,035	25,339	254,140
Depreciation				
As at 1 April 2007	38,418	88,123	17,554	144,095
Charge for the year	11,053	25,674	5,068	41,795
Disposals	(2,740)	(8,288)	-	(11,028)
As at 31 March 2008	46,731	105,509	22,622	174,862
Net book value				
As at 31 March 2008	£ 36,035	£ 40,526	£ 2,717	£ 79,278
As at 31 March 2007	£ 36,178	£ 53,244	£ 7,785	£ 97,207

Notes to the Financial Statements

7. DEBTORS

		2008 £		2007 £
Other debtors and prepayments	£	75,641	£	46,160

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		£		£
Trade creditors		930		8,967
Accruals and deferred income		66,863		37,494
	£	67,793	£	46,461

9. GENERAL FUND

		Other Retained Earnings	Special Reserve	Total
As at 1 April 2007		117,790	498,366	616,156
Result for the year		476,258	-	476,258
Transfer to Special Reserve		(170,000)	170,000	-
As at 31 March 2008	£	424,048	668,366	1,092,414

10. LEASE COMMITMENTS

	£	£
The Commission leases a property for its own occupation. Annual rentals payable under this lease are as follows: Operating leases which expire:		
After five years	100,100	60,112

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