PROTECTION AND COMPENSATION FUND

Annual Report and Financial Statements
31 December 2024

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Committee members' report

The members present their report and the audited financial statements of the Protection and Compensation Fund (the Fund) for the year ended 31 December 2024.

Principal activity

The income and expenditure account for the year is set out on page 6.

The principal activities of the Fund are to make payments in respect of claims against insurance companies authorised under the Insurance Business Act (Chapter 403 of the Laws of Malta) and other insurers contributing to the Fund which remain unpaid by reason of the insolvency of such companies, and to compensate victims of road traffic accidents in circumstances as specified by the Insurance Business (Protection and Compensation Fund) Regulations, 2024, enacted by LN 318 of 2024 under the aforementioned Act. These Regulations which were published on the 22 November 2024, with an initiation date of the 10 July 2024, repeal the Protection and Compensation Fund Regulations, 2003 (L.N.435 of 2003).

Committee members

The members of the Management Committee during the year were:

Dr. Joseph Borg Bartolo – Chairman
Benny Borg Bonello
Joseph Naudi Montaldo
Dr Andrea Zerafa
Miriam Muscat
Dr Marisa Attard
Etienne Sciberras

Every member of the Committee shall hold office for such period and upon such terms and conditions as may be determined by the Malta Financial Services Authority and as indicated in the letter of appointment, such term of office being not less than one year and not more than three years. Every member of the Committee shall be eligible for re-appointment.

Statement of committee members' responsibilities

The committee members are required by the Insurance Business (Protection and Compensation Fund) Regulations, 2024 to prepare financial statements that give a true and fair view of the state of affairs of the Fund as at the end of each financial period and of the income and expenditure for that period.

In preparing the financial statements, the committee members are responsible for:

- ensuring that the financial statements have been drawn up in accordance with the Insurance Business (Protection and Compensation Fund) Regulations, 2024;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Fund will continue in business as a going concern.

The committee members are also responsible for designing, implementing and maintaining internal controls as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Insurance Business (Protection and Compensation Fund) Regulations, 2024. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Committee members' report - continued

Statement of committee members' responsibilities - continued

Auditors

PricewaterhouseCoopers, have expressed their willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next annual general meeting.

By order of the committee

Dr Joseph Borg Bartolo
Chairman

Dr Marisa Attard
Committee member

Malta Financial Services Authority
Triq l-Imdina,
Zone 1, Central Business District,
CBD 1010, Birkirkara,
Malta

30th May 2025

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Independent auditor's report

To the Members of Protection and Compensation Fund

Report on the audit of the financial statements

Our opinion

In our opinion the Protection and Compensation Fund's financial statements for the year ended 31 December 2024, are prepared in all material respects, in accordance with the accounting policies described on pages 10 to 13 of the financial statements.

What we have audited

Protection and Compensation Fund's financial statements, set out on pages 6 to 21, comprise:

- the income and expenditure account for the year ended 31 December 2024;
- the balance sheet as at 31 December 2024;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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Independent auditor's report - continued

To the Members of Protection and Compensation Fund

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to the accounting policies on pages 10 to 13 of the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the Protection and Compensation Fund to comply with the financial reporting provisions of the Insurance Business (Protection and Compensation Fund) Regulations, 2024. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the members of the Protection and Compensation Fund and should not be distributed to or be used by parties other than the members of the Protection and Compensation Fund.

Other information

The committee members are responsible for the other information. The other information comprises the Committee members' report and the detailed accounts included on page 22 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the committee members for the financial statements

The committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with the requirements of the Insurance Business (Protection and Compensation Fund) Regulations, 2024, and for such internal control as the committee members determine 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 committee members are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the fund or to cease operations, or have 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 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.

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Independent auditor's report - continued

To the Members of Protection and Compensation Fund

Auditor's responsibilities for the audit of the financial statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Christopher Cardona
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

30th May 2025

Income and expenditure account

	Notes	Year ended 31 December 2024 €	2023 €
Income	2	**357,865**	396,526
Expenditure	3	**(102,130)**	(122,638)
Surplus for the year before tax		**255,735**	273,888
Withholding tax		**-**	-
Surplus for the year		**255,735**	273,888

The accounting policies and notes on pages 10 to 21 are an integral part of these financial statements.

Balance sheet

	Notes	As at 31 December 2024 €	2023 €
ASSETS			
Fixed assets			
Financial assets			
Investments – available-for-sale	4	**8,366,664**	7,935,913
Total non-current assets		**8,366,664**	7,935,913
Current assets			
Trade and other debtors	5	**686,985**	642,437
Financial assets			
Investments – available-for-sale	4	**4,424,985**	2,979,369
Fund D (formerly known as the Motor Accident Fund)			
- Security Fund	6	**38,608**	38,608
- Protection and Compensation Funds	6	**1,163,930**	452,480
Cash at bank	11	**1,527,583**	1,734,052
Total current assets		**7,842,091**	5,846,946
Total assets		**16,208,755**	13,782,859
FUNDS AND LIABILITIES			
Funds and reserves			
Fund A (formerly known as the Protection and Compensation Funds - Insolvency Fund)			
- General Business Fund	8	**4,209,189**	3,849,748
- Life Business Fund	8	**5,683,189**	5,446,724
Fund B	8	**267,811**	-
Fund C	8	**145,423**	-
		10,305,612	9,296,472
Accumulated fund	8	**3,432,880**	3,125,832
Revaluation reserve	8, 9	**931,326**	251,486
Total funds and reserves		**14,669,818**	12,673,790
Creditors: amounts falling due within one year			
Trade and other creditors	7	**1,538,937**	1,109,069
Total funds and liabilities		**16,208,755**	13,782,859

The accounting policies and notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 6 to 21 were authorised for issue by the members of the Management Committee on 30th May 2025 and were signed on its behalf by:

Dr Joseph Borg Bartolo
Chairman

Dr Marisa Attard
Committee member

Statement of changes in funds

	Notes	Fund A (formerly known as the Protection and Compensation Funds), Funds B and C €	Accumulated fund €	Revaluation reserve €	Total €
Balance at 1 January 2023		8,607,741	2,788,954	63,128	11,459,823
Net contributions levied during the year	8	688,731	-	-	688,731
Fair value movements - available-for-sale investments	4	-	-	251,348	251,348
Fair value released on disposal - available-for-sale investments	4	-	62,990	(62,990)	-
Surplus for the financial year		-	273,888	-	273,888
Balance at 31 December 2023		**9,296,472**	**3,125,832**	**251,486**	**12,673,790**
Balance at 1 January 2024		**9,296,472**	**3,125,832**	**251,486**	**12,673,790**
Net contributions levied during the year	8	1,009,140	-	-	1,009,140
Fair value movements - available-for-sale investments	4	-	-	731,153	731,153
Fair value released on disposal - available-for-sale investments	4		51,313	(51,313)	-
Surplus for the financial year		-	255,735	-	255,735
Balance at 31 December 2024		**10,305,612**	**3,432,880**	**931,326**	**14,669,818**

The accounting policies and notes on pages 10 to 21 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December 2024 €	2023 €
Operating activities			
Cash generated from operations	10	**242,793**	137,589
Investing activities			
Purchase of investments	4	**(3,473,326)**	(5,590,330)
Disposal of investments	4	**2,350,418**	3,838,946
Cash used in investing activities		**(1,122,908)**	(1,613,795)
Financing activities			
Levies collected	8	**673,646**	688,731
Movement in cash and cash equivalents		**(206,469)**	(925,064)
Cash and cash equivalents at beginning of year		**1,734,052**	2,659,116
Cash and cash equivalents at end of year	11	**1,527,583**	1,734,052

The accounting policies and notes on pages 10 to 21 are an integral part of these financial statements.

Notes to the financial statements

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

1. Basis of preparation

The financial statements are prepared under the historical cost convention and have been prepared in accordance with the Insurance Business (Protection and Compensation Fund) Regulations, 2024.

2. Funds Comprising the Protection and Compensation Fund

Article 49 of the Insurance Business Act provides for the establishment of the Protection and Compensation Fund to be utilized to make payments in respect of claims which remain unpaid by reason of the insolvency of: (i)an insurer carrying on business in Malta (Fund A "General Insurance Fund" and "Life Insurance Fund" shown on the balance sheet); (ii) an insurer carrying on Class 10-Motor vehicle liability insurance in and/or from Malta (Fund B and Fund C shown on the balance sheet); and (iii) to compensate victims of specified road traffic accidents (Fund D "Motor Accident Fund" shown on the balance sheet). The Protection and Compensation Fund shown on the balance sheet comprise levies collected from members, less claims paid and provisions for outstanding/potential claims.

To put into effect the provisions of Part XI- Protection and Compensation Fund of the Insurance Business Act, on 22 November 2024, the Insurance Business (Protection and Compensation Fund) Regulations 2024 were published with an initiation date of 10 July 2024 (the initiation date). These Regulations repeal the Protection and Compensation Fund Regulations, 2003.

The 'Protection and Compensation Fund' shown in the balance sheet represents the fund set up under the Protection and Compensation Fund Regulations, 2003 (2003 Regulations). Under the 2003 Regulations, contributions in respect of claims which remain unpaid by reason of insolvency of the insurer were required to be pre-funded to the Protection and Compensation Fund for the purposes of the "General Insurance Fund" and the "Life Insurance Fund" at a rate of 0.125 per cent of the gross premium income of the protected risks by the insurer for the year ending last before the beginning of that calendar year. A sum not exceeding 5% of the total amount of contributions payable to the Fund (as may be determined by the Management Committee) was at the disposal of the Committee to meet expenses incurred by the administration of the Fund. A further post-funded contribution will be required by every insurer carrying on business of motor insurance to be utilised exclusively for the payment of compensation of motor accidents in a similar way to contributions collected for the "Security Fund".

The 'Security Fund' shown in the balance sheet represents the Fund set up under the Insurance Business Security Fund Regulations, 1986 (which were repealed by the 2003 Regulations). The deficit as at 31 December represents contributions collected short of outstanding provisions. The cost of the eventual settlement of these claims is recoverable from members in accordance with the Regulations.

In accordance with Regulation 47(1(c) of the Insurance Business (Protection and Compensation Regulations), 2024, all assets and liabilities of the Security Fund transferred to the Protection and Compensation Fund in virtue of the Act shall, be kept separate from other assets and liabilities of the Protection and Compensation Fund and the administration of the assets and liabilities which are to be kept separate in virtue of those regulations shall continue to be governed by regulation 10 of the 1986 Regulations until all obligations of the Protection and Compensation Fund under the 1986 Regulations are discharged in full.

Accounting policies - continued

2. Funds Comprising the Protection and Compensation Fund - continued

Any assets of the Security Fund which are kept separate from the other assets of the Fund remaining in hand after the discharge of all obligations under the 1986 Regulations shall be aggregated to Fund D and continue to be used under the Insurance Business (Protection and Compensation Regulations), 2024 exclusively for the same purpose which they were used under the Insurance Business Security Fund Regulations 1986.

Contributions to Fund A, Fund B and Fund C and Fund D

Fund A

Under the Insurance Business (Protection and Compensation Fund) Regulations 2024, an insurer which carries on long term business in Malta in any one or more of the following classes specified in the Second Schedule to the Act: I, II, IV, VII and IX; and, or general business in Malta in any one or more of the following classes or part classes specified in the Third Schedule to the Act, where the insured is an individual, 2, 3, 8, 9, 13, 16, 17 and 18; and, or class 10 in terms of the Third Schedule to the Act, also referred to as motor vehicle liability insurance business which is carried on in Malta until the day preceding the initiation date is required to pay a contribution to Fund A.

The contribution to be made in respect of general business , is zero point one two five per centum (0.125%) of, and calculated by reference to, the gross premium income by the insurer for the year ending last before the beginning of such calendar year relating to risks situated in Malta; The contribution due in respect of long-term business is zero point one two five per centum (0.125%) of, and calculated by reference to, the gross premium income by the insurer for the year ending last before the beginning of such calendar year effected after 30 June 1986 relating to commitments where Malta is the country of commitment. During 2024, the year of entry into force of the new regulations, contributions received at 0.125% were allocated in full to Fund A.

Funds B & C

Furthermore, under the Insurance Business (Protection and Compensation Fund) Regulations, 2024 every insurer carrying on motor vehicle liability insurance business in Malta on and, or after the initiation date, should pay a contribution to Fund B, to be utilised exclusively for the payment of claims relating to motor vehicle liability insurance business carried on in Malta; and every insurer carrying on motor vehicle liability insurance business from Malta on and, or after the initiation date, should pay a contribution to Fund C, to be utilised exclusively for the payment of claims relating to motor vehicle liability insurance business carried on from Malta.

The contributions made to Fund B are at zero point five per centum (0.5%) of, and calculated by reference to, the gross premium income by the insurer, or where the insurer is not actively carrying on new motor vehicle liability insurance business or is subject to winding-up proceedings or any other equivalent proceedings, zero point one two five per centum (0.125%) of, and calculated by reference to, the technical provisions of the insurer, for the year ending last before the beginning of such calendar year in respect of class 10 in Part I of the Third Schedule to the Act in respect of risks situated in Malta. During 2024, the year of entry into force of the new regulations, contributions received topping up the difference between the newly required 0.5% contribution and the previous 0.125% contribution to Fund A, were allocated in full to Fund B. The contributions made to Fund C, are at zero point five per centum (0.5%) of, and calculated by reference to the gross premium income by the insurer, or where the insurer is not actively carrying on new motor vehicle liability insurance business or is subject to winding-up proceedings or any other equivalent proceedings, zero point one two five per centum (0.125%) of and calculated by reference to the technical provisions of the insurer, for the year ending last before the beginning of such calendar year in respect of class 10 in Part I of the Third Schedule to the Act in respect of risks situated outside of Malta.

Accounting policies - continued

2. Funds Comprising the Protection and Compensation Fund - continued

Fund D

In terms of the Insurance Business (Protection and Compensation Fund) Regulations 2024, an insurer carrying on a motor vehicle insurance liability business in Malta is required to pay a contribution to Fund D. The contribution shall be utilised exclusively for the payment of compensation relating to protected liabilities to make payment of compensation to victims of road traffic accidents in circumstances prescribed by such regulations. This fund is monitored by the Protection & Compensation Fund and administered by the Motor Insurers' Bureau.

Funds A to D

In accordance with Regulation 47(1)(e) of the Insurance Business (Protection and Compensation Fund) Regulations 2024, the assets of the Protection and Compensation Fund established under the 2003 Regulations have been aggregated to the assets of, and form part of Fund A and Fund D shown on the balance sheet.

The entity recognises contributions on the basis of declarations made and is therefore able to recognise contributions pertaining to contributors that have submitted their declaration/s by the date of approval of the financial statements.

3. Provision for imminent and potential claims

Provision is made for the full estimated cost of claims notified but not yet settled by the year end. The amounts provided for are charged to the Funds (see Notes 6 and 8) and credited to the Motor Insurers' Bureau (Note 5), which carries out its administrative function, including the payment of claims.

4. Financial assets – Investments

The Fund classifies its investments into the available-for-sale category. The classification is dependent on the purpose for which the investments were acquired. The committee members determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at every reporting date.

Available-for-sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity or (c) financial assets at fair value through profit or loss. They include inter alia, listed securities.

All purchases and sales of investments are recognised on the trade date, which is the date that the Fund commits to purchase or sell the assets. All investments are initially recognised at fair value plus, transaction costs that are directly attributable to their acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred, and the Fund has also transferred substantially all risks and rewards of ownership.

Available-for sale investments are subsequently re-measured at fair value. A gain or loss on an available-for-sale financial asset is recognised directly in equity, through the statement of changes in funds, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit and loss.

The fair value of quoted securities and units in unit trusts is based on quoted market prices at the balance sheet date.

Accounting policies - continued

4. Financial assets – Investments

In the case of securities classified as available-for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in the income and expenditure account is removed from equity and recognised in the income and expenditure account. Impairment losses recognised in the income and expenditure account on equity instruments are not subsequently reversed.

5. Debtors

Debtors are carried at anticipated realisable value. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

6. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks.

7. Trade creditors

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

8. Revenue recognition

Interest income is recognised in the profit and loss account as it accrues, unless collectability is in doubt.

The Protection & Compensation Fund is also entitled under Regulation 17(6) of the Insurance Business (Protection and Compensation Fund) Regulations, 2024 to an administration levy not exceeding 5% of total contributions payable to meet ordinary expenses incurred by Fund A.

Under Regulation 27(6) of the Insurance Business (Protection and Compensation Fund) Regulations 2024 the Protection & Compensation Fund is entitled to a sum not exceeding 5% from the total amounts of respective contributions payable to Fund B and Fund C, as may be determined by the Management Committee, to be utilised to meet ordinary expenses incurred by the administration of the said Funds.

This levy is recognised as it accrues and is included within 'income' in the income and expenditure account.

Notes to the financial statements

1. Critical accounting estimates and judgements

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

In the opinion of the committee members, the preparation of these financial statements requires the use of certain critical accounting estimates and judgements which are difficult, subjective or complex to a degree which would warrant their description as critical.

Certain estimates and assumptions are made regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for outstanding claims (note 7)

Several considerations are being considered by the Motor Insurers' Bureau as claims handler of the Protection & Compensation Fund when evaluating claims and the provisions thereof including the following:

i. Survey Reports for Insurance Claims:

The Motor Insurers' Bureau reviews accounting estimates by utilising survey reports for insurance claims. These reports provide detailed information on the nature, extent, and value of claims, offering a robust basis for estimating liabilities and potential payouts.

ii. Evaluation of Claims Data:

The survey reports undergo thorough evaluation to assess the validity and accuracy of the claims. This includes verifying the circumstances of the claim, the estimated cost of damages, and the likelihood of settlement.

iii. Adjustments Based on Claims Analysis:

Based on the analysis of survey reports, management may adjust the accounting estimates to reflect the most current and accurate information.

iv. Regular discussions:

The Motor Insurers' Bureau conducts regular meetings involving the representatives from all participating insurance companies. These meetings provide a collaborative platform to discuss each case in depth. During these meetings, each claim is discussed in detail to determine the appropriate amount that should be provided for. This collaborative approach ensures that all perspectives are considered, and the estimates are comprehensive and accurate. Furthermore, these representatives are highly experienced and qualified professionals in the insurance industry. Their extensive knowledge and expertise enable them to make informed and accurate estimates. Their collaborative efforts contribute to the accuracy and reliability of the estimates.

2. *Income*

Income includes administration interest receivable, any profit on disposal of investments, and dividends received during the year.

No administration levies were charged during 2024 and 2023.

3. Expenses by nature

	2024	2023
	€	€
Committee members' fees	**14,518**	14,232
Auditors' remuneration	**7,906**	6,100
Portfolio management fees	**61,442**	61,767
Safe custody fees	**8,798**	6,583
Other expenses	**9,466**	33,956
Total expenditure	**102,130**	122,638

4. Financial assets – available-for-sale investments

	2024	2023
	€	€
Opening balance	**10,915,282**	8,799,455
Additions	**3,473,326**	5,590,330
Disposals	**(2,276,799)**	(3,662,861)
Fair value released on disposal (Note 9)	**(51,313)**	(62,990)
Fair value gain for the year (Note 9)	**731,153**	251,348
Closing balance	**12,791,649**	10,915,282

4. Financial assets – available-for-sale - continued

Available-for-sale investments include the following:

	2024 €	2023 €
Debt securities – listed fixed interest rate	**8,901,831**	7,935,913
Equity securities	**3,889,818**	2,979,369

The maturity of the fixed income debt securities is detailed below:

	2024 €	2023 €
Less than 1 year	**4,424,985**	2,979,369
Between 2 and 5 years	**3,646,632**	4,029,206
After more than 5 years	**4,720,032**	3,906,707
	12,791,649	10,915,282

5. Trade and other debtors

	2024 €	2023 €
Amounts due from Motor Insurers' Bureau	**276,686**	555,127
Accrued investment income	**74,805**	87,310
Accrued income from contributions	**335,494**	-
	686,985	642,437

The Protection and Compensation Fund Committee had, under Section 6(2) of the Protection and Compensation Fund Regulations 2003, delegated part of its administrative function to the Motor Insurers' Bureau. The Protection and Compensation Fund Regulations, 2003 have been repealed by the Insurance Business (Protection and Compensation Fund) Regulations, 2024, enacted by LN 318 of 2024.

In the Insurance Business (Protection and Compensation Fund) Regulations, 2024 reference is made to the delegation by The Protection and Compensation Fund of its administrative function to the Motor Insurers' Bureau under Section 6(4).

Amounts due by Motor Insurers' Bureau represent levies collected from members less claims paid (see also note 6).

As a result of the introduction of the Insurance Business (Protection and Compensation Fund) Regulations, 2024, certain insurers were required to top up their contributions for the financial year ended 31 December 2024. Given that these contributions were not received by the Protection and Compensation Fund in 2024, they were accrued for (see also note 8).

6. Fund D (formerly known as the Motor Accident Fund)

	Levies collected €	Claims paid €	Provision for outstanding claims €	Amounts recoverable from members €
(a) Security Fund				
Balance at 1 January 2023	(628,319)	602,886	64,041	38,608
Levies collected	-	-	-	-
Levies refunded	-	-	-	-
Claims paid	-	-	-	-
Increase in provision	-	-	-	-
Balance at 31 December 2023	(628,319)	602,886	64,041	38,608
Balance at 1 January 2024	**(628,319)**	**602,886**	**64,041**	**38,608**
Levies collected	-	-	-	-
Levies refunded	-	-	-	-
Claims paid	-	-	-	-
Increase in provision	-	-	-	-
Balance at 31 December 2024	**(628,319)**	**602,886**	**64,041**	**38,608**
(b) Protection and Compensation Funds				
Balance at 1 January 2023	(916,983)	435,838	691,523	210,378
Levies collected	(35,357)	-	-	(35,357)
Levies refunded	-	-	-	-
Claims paid	-	23,606	(23,606)	-
Increase in provision	-	-	314,982	314,982
Claims refunded	-	(2,610)	-	(2,610)
Other amounts collected	(34,913)	-	-	(34,913)
Balance at 31 December 2023	(987,253)	456,834	982,899	452,480
Balance at 1 January 2024	**(987,253)**	**456,834**	**982,899**	**452,480**
Levies collected	-	-	-	-
Levies refunded	**189,162**	-	-	**189,162**
Claims paid	-	**97,578**	**(97,578)**	-
Increase in provision	-	-	**529,862**	**529,862**
Claims refunded	-	**(7,575)**	-	**(7,575)**
Balance at 31 December 2024	**(798,091)**	**546,838**	**1,415,183**	**1,163,930**

The year-end balances represent contributions collected from members short of outstanding reported claims provisions. The cost of the eventual settlement of these claims is recoverable from members in accordance with the Insurance Business (Protection and Compensation Fund) Regulations, 2024.

Amounts recoverable from members are presented net of amounts that are refundable to members as a result of claims paid that were eventually recovered.

7. Trade and other creditors

	2024 €	2023 €
Amounts falling due within one year		
Provision for outstanding claims	**1,479,198**	1,046,213
Other creditors and accruals	**59,739**	62,856
	1,538,937	1,109,069

8. Fund A (formerly known as the Protection and Compensation Funds), Funds B and C

Fund A	**General Insurance Fund €**	**Life Insurance Fund €**	**Total €**
Balance at 1 January 2023	3,532,307	5,075,434	8,607,741
Contributions received	317,441	371,290	688,731
Balance at 31 December 2023	**3,849,748**	**5,446,724**	**9,296,472**
Balance at 1 January 2024	3,849,748	5,446,724	9,296,472
Contributions received	359,441	236,465	595,906
Balance at 31 December 2024	**4,209,189**	**5,683,189**	**9,892,378**

8. Fund A (formerly known as the Protection and Compensation Funds), Funds B and C - continued

The apportionment of the accumulated fund and revaluation reserve included in the balance sheet as at 31 December 2024 and 2023 to the General Business Fund and Life Insurance Fund on the basis of the movements in the respective funds from 2004 to date is shown below:

Fund A	**General Insurance Fund €**	**Life Insurance Fund €**	**Total €**
Accumulated Fund	1,294,434	1,831,398	3,125,832
Revaluation reserve	104,142	147,344	251,486
At 31 December 2023	**1,398,576**	**1,978,742**	**3,377,318**

Fund A	**General Insurance Fund €**	**Life Insurance Fund €**	**Total €**
Accumulated Fund	1,460,685	1,972,195	3,432,880
Revaluation reserve	396,278	535,048	931,326
At 31 December 2024	**1,856,963**	**2,507,243**	**4,364,206**

Fund B	**Fund B €**
Balance at 1 January 2024	-
Contributions received	77,740
Contributions accrued for	190,071
Balance at 31 December 2024	**267,811**

Fund C	**Fund C €**
Balance at 1 January 2024	-
Contributions accrued for	145,423
Balance at 31 December 2024	**145,423**

9. Revaluation reserve

	2024 €	2023 €
Balance at 1 January	**251,486**	63,128
Fair value released on disposal (Note 4)	**(51,313)**	(62,990)
Movement in fair value for the year (Note 4)	**731,153**	251,348
Balance at 31 December	**931,326**	251,486

The revaluation reserve is non-distributable.

10. Cash generated from operations

Reconciliation of operating surplus to cash generated from operations:

	2024 €	2023 €
Surplus for the year	**255,735**	273,888
Adjustment for:		
Movement in provision for outstanding claims	**432,985**	292,459
Gain on disposal of investments	**(22,306)**	(113,095)
Movements in working capital:		
- creditors	**(3,117)**	26,418
- debtors	**(420,504)**	(342,081)
Cash generated from operations	**242,793**	137,589

11. Cash and cash equivalents

	2024 €	2023 €
Cash at bank	**1,527,583**	1,734,052

Deposits held with banks earn interest as follows:

	2024 €	2023 €
At fixed rates	**-**	725,000
At floating rates	**1,527,583**	1,009,052
	1,527,583	1,734,052

12. Financial instruments

Credit risk

Financial assets which potentially subject the Fund to concentrations of credit risk consist principally of investments and cash at bank. The Fund's cash is placed with quality financial institutions. Concentration of the Fund's credit risk in respect of investments is considered by the members of the Management Committee to be relatively insignificant in view of the nature of the assets held and the credit standing of the issuer/counterparty.

Interest rate risk

The Fund's incoming and operating cash flows are substantially independent of changes in market interest rates. Notes 4 and 11 incorporate interest rate and maturity information with respect to the Fund's assets. Up to the balance sheet date, the Fund did not have any hedging policy with respect to interest rate risk as exposure to such risk was not deemed to be significant by the members.

Fair values

At 31 December 2024 and 2023, the carrying value of the Fund's other assets and liabilities approximated their fair values.

Detailed accounts

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Income and expenditure account

	2024	2023
	€	€
Income		
Interest receivable from available-for-sale investments and term deposits	**289,918**	261,759
Dividends received, net of tax	**45,819**	26,705
Other losses	**(178)**	(5,033)
Gains on disposal of investments	**22,306**	113,095
	357,865	396,526
Expenditure		
Publication costs	**2,182**	2,216
Audit and professional fees	**14,189**	16,243
Exchange rate difference	**-**	1,307
Legal Expense	**92**	-
Committee members' fees	**14,518**	14,232
Investment and other related expenses:		
- Bank charges and interest	**909**	20,290
- Portfolio management fees	**61,442**	61,767
- Safe custody fees	**8,798**	6,583
	102,130	122,638
Withholding tax	**-**	-
Surplus for the year	**255,735**	273,888