



Property Services Regulatory Authority

Annual Report 2014

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Foreword by Geraldine Clarke, Chairperson of the Property Services Regulatory Authority.

I am pleased to present the third Annual Report on the Property Services Regulatory Authority in respect of the year ending 31st December 2014.

2014 was a significant year in that for the first time since the establishment of the Authority additional staff were assigned to it. This enabled it to begin to make inroads into the investigation and adjudication of complaints against Property Service Providers, which is one of the main regulatory functions of the Authority and one which is central to raising and maintaining standards with the industry.

While the provision of additional staff is welcomed, it is not of itself sufficient to enable the Authority to process the volume of complaints being received on an annual basis. Therefore, the Authority developed proposals for outsourcing its investigation work which were presented to the Department of Justice and Equality and the Department of Public Expenditure and Reform. At the end of 2014 discussions were still ongoing on these proposals but I am confident that they will bear fruit in 2015 and that this will enable the Authority deliver a comprehensive system for the investigation of complaints and also establish a robust system of compliance audits.

Another encouraging development during the year was the enhancement in the licence applications system. There was a significant improvement in the

standard of licence applications received with the result that the time taken to process these applications has been reduced by about 30%.

The achievements of this year would not have been possible without the huge commitment, dedication and flexibility of the staff of the Authority. Their efforts have enabled a level of achievement which allows us to look forward with confidence to the coming years.

I would like to thank the Minister for Justice and Equality for her continued support and the staff of the Department for their efforts on our behalf.

I would also like to express my deep gratitude to my colleagues on the Authority for their commitment and support which is of paramount importance to the continued success of the Authority.

Geraldine Clarke

October 2015



Introduction by Tom Lynch, Chief Executive of the Property Services Regulatory Authority

This third Annual Report of the Authority covers the twelve month period to 31st December 2014, a period during which much progress was made. While the progress made is encouraging, much still remains to be done to ensure that the Authority is in a position to fully meet its statutory obligations.

Since its establishment in April 2012, a little over two and a half years ago, a considerable amount has been achieved in putting in place the foundations for the licensing and regulation of Property Services Providers. At the end of 2014 a comprehensive and modern licensing system had been introduced and many of the difficulties which were encountered in the earlier years were successfully addressed. Up to the 31st December 2014 some 2,104 Property Services Employers/Independent Contractors and 4,096 Employees had been licensed by the Authority.

Having successfully established and implemented the new licensing system it was possible for the Authority to turn its concentration to a second of its core functions namely, the establishment of a system of investigation and adjudication of complaints against Property Services Providers. By the end of 2014 the systems and procedures for the investigation of complaints had been established and implemented. From its establishment in April 2012 to the end of December 2014 a total of 710 complaints had been received of which 362 were received during 2014. Of these some 179 had been concluded. While a start has been made on this important core function a considerable amount of work still remains to be done. However, for the Authority to meet its obligations in this area significant additional staffing resources will be required.

On the question of resources the Authority has been significantly understaffed since its establishment. The minimum staffing which the Authority requires is 29 (excluding the CEO). However, up to the end of 2013 only 10 staff had been assigned. The Authority agreed to open an office in Dublin in December 2013 to facilitate the assignment of additional staff to that office. At the end of 2014 the staffing of the Authority stood at only 14 which is about 50% of the minimum requirement. To address this shortfall the Authority entered discussions with both the Department of Justice and Equality and the Department of Public Expenditure and Reform with a view to outsourcing some of the Authority's investigation work and proposals for outsourcing were developed. This is a matter which will have to be given priority in 2015 as without the necessary staffing resources the Authority cannot meet its statutory obligations.

During the year the Authority's Public Registers were also expanded. The information in the registers continues to be updated on a regular basis and the level of public interest in them continues to grow. The most popular register is the Residential Property Price Register which had over 2 million visits in 2014. In addition the Authority's Compensation Fund continues to grow and is on track to meet the statutory requirement of having €2 million standing to the credit of the Fund by the middle of 2015. This is well ahead of target.

The progress made to date would not have been possible but for the dedication and commitment of the staff of the Authority whom I would like to thank. I would also like to thank the Board of the Authority for their support and advice throughout the year.

The next year will bring many challenges and it is imperative that the Authority be adequately resourced to meet those challenges.

Who We Are

The Property Services Regulatory Authority (Authority) was established on 3rd April 2012 pursuant to the Property Services (Regulation) Act 2011 (the Act) and is the statutory body with responsibility for licensing and regulating the property services industry in Ireland.

The Authorities Headquarters is based in Navan, Co Meath since its establishment and a second office was opened at Bishops Square, Kevin St., Dublin 2 in December 2013.

The Authority is independent in the exercise of its functions. The Authority is chaired by Ms. Geraldine Clarke, Solicitor, and its membership consists of the property services industry and consumer representatives.

In addition to the Chief Executive a total of 9 staff were assigned to the Authority on its establishment. Between December 2013 and March 2014 an additional 6 staff were assigned to the Authority which enabled it to commence work on the investigation of complaints which is one of the Authority's primary responsibilities.

The legislation establishing the Authority provides for the licensing of a number of categories of property services providers namely:

Auctioneers/Estate Agents

Persons engaged in the Auction of property other than land (Licence Type A) and those engaged in the sale of land by whatever means (Licence Type B)

Letting Agents

Persons engaged in the letting of land (Licence Type C)

Management Agents

Persons engaged in the provision of Management Services on behalf of Management Bodies (Licence Type D).

Members of the Property Services Regulatory Authority

Under the Act the Minister of Justice and Equality in appointing members to the Authority, must have regard to the desirability of their having knowledge or experience in consumer affairs, business, finance, management or administration or any other subject which would, in the Minister's opinion, be of assistance to the Authority in performing its functions under this Act.

However, the Act also prescribes that the membership must include:

- (a) not more than 3 persons who are representatives of persons who provide property services, and
- (b) not less than 3 persons who have knowledge of, or experience in, consumer affairs.

The membership of the Authority is as follows:

Ms. Geraldine Clarke (Chairperson)

Ms. Carol Boate, Consumer Representative

Mr. Edward Carey, Industry Representative

Mr. Patrick Davitt, Industry Representative*

Mr. James Doorley, Consumer Representative

Ms. Deirdre Fox, Consumer Representative*

Mr. Martin Hanratty, Dublin Institute of Technology*

Ms. Josephine Henry, Consumer Representative*

Mr. Paul Mooney, Industry Representative

Mr. Myles O' Reilly, Consumer Representative

Ms. Regina Terry, Department of Justice and Equality*.

Members of the Authority hold office for a period of four years. However, of the members appointed to the Authority on the establishment day, five hold office for a period of three years from the date of their respective appointments. Those appointed for a period of three years are marked with an asterisk.

The Role of the Authority

The Authority's key role is to ensure that the objectives of the establishing legislation are fully realised so as to ensure that those licensed to provide Property Services meet the highest standards in service provision and that consumers are fully protected through the rigorous application of the provisions of the Act.

The key functions of the Authority are as follows:

<ul style="list-style-type: none">• To control, supervise and regulate Property Services Providers (i.e. Auctioneers/Estate Agents, Letting Agents and Management Agents);
<ul style="list-style-type: none">• To operate a comprehensive licensing system covering all Property Services Providers;
<ul style="list-style-type: none">• To specify and enforce:-<ul style="list-style-type: none">○ standards for the granting of licences to Property Services Providers (e.g. educational/training standards; levels of professional indemnity insurance), and;○ standards to be observed in the provision of property services by Property Services Providers (e.g. technical standards; appropriate ethical standards);
<ul style="list-style-type: none">• To establish and administer a system of investigation of standards in the provision of Property Services;
<ul style="list-style-type: none">• To establish and administer a system of investigation and adjudication of complaints against Property Services Providers;

<ul style="list-style-type: none">• To impose sanctions on Property Services Providers for improper conduct (including fines up to €250,000 and the revocation of a licence);
<ul style="list-style-type: none">• To promote increased consumer protection and public awareness of property services in general;
<ul style="list-style-type: none">• To establish, maintain and administer a Compensation Fund to compensate parties who lose money as a direct consequence of the dishonesty of a Property Services Provider;
<ul style="list-style-type: none">• To develop Codes of Practice for Property Services Providers;
<ul style="list-style-type: none">• To establish and maintain a Public Register of Property Sales Prices;
<ul style="list-style-type: none">• To act as State Competent Authority for Money Laundering;
<ul style="list-style-type: none">• To undertake or commission research projects;
<ul style="list-style-type: none">• To advise the Minister for Justice and Equality on any matters relating to the above functions and keep the Minister informed of developments that would assist in developing policy.

MISSION AND VALUES

MISSION

The Authority's mission is to control and supervise Auctioneers, Estate Agents, Letting Agents and Management Agents and to protect the interests of the public in their interaction with them by ensuring that high standards are maintained in the delivery of property services.

VALUES

Public Interest

The Authority is committed to carrying out its functions in the public interest.

Good Governance and Value for Money

The Authority is committed to compliance with high standards of governance and probity, and to conduct its business in an efficient and cost-effective manner.

Consultation

The Authority is committed to engaging with its stakeholders in the ongoing development and delivery of its services.

Commitment to Staff

The Authority is committed to supporting its staff in delivering on our strategic goals and in developing fulfilling careers within the organisation.

Licensing

The Act provides that any person providing property services in Ireland must be licensed by the Authority and defines such services as including:

- ***The Auction of Property other than Land (Licence Type A).***
- ***The Sale of Land - by whatever means (Licence Type B)***
- ***The Letting of Land (Licence Type C), and***
- ***The Provision of Property Management Services (Licence Type D)***

The Authority issues four different types of licence which correspond with the four types of property services defined in the Act and any person may apply for one or more licence. Licences are renewable annually.

Because generally licences will operate over two separate reporting years it is necessary, in the initial stages of the development of the Authority, to present the licensing statistics over a period longer than the reporting period in order to properly explain them. In the period from 6th July 2012 to the end of 2014 a total of 7,119 licence applications were received. Of these, licences were granted in 6,200 cases and 714 applications were refused. At the 31st December 2014 there were 199 new applications under review. Of the 6,200 licences issued since July 2012 some 644 Licences have not been renewed or ceased trading by the end of 2014.

In the years 2012 and 2013 considerable difficulties were encountered in the processing of licences due to the fact that applicants experienced considerable difficulties in meeting the new requirements under the Act. This was largely due to the fact that the process was entirely new and many applicants failed, in their initial application, to submit the required information/evidence in support of their applications. This resulted in the Authority having to refer back to applicants for additional information/evidence in the majority of cases (over 90%). However, in the course of 2014 the position improved considerably with the result that by the end of 2014 the processing of licences was fully up to date.

The following are the details of the licences processed in the period July 2012 to December 2014.

Licenses Processed	
New Licences	
Applications July 2012 to Dec 2014	7,119
New Licences Granted 2012	1,123
New Licences Granted 2013	4,259
New Licences Granted 2014	818
Licences Refused 2012/2014	714
Applications Awaiting Information	199

Renewals - 2014	
Renewal Licences Issued	4,655
Renewals Awaiting Information	139
Refused	89

Licences Not Renewed/Ceased Trading	644
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While the processing of licences during 2014 did not present the same range of difficulties as in previous years a new factor came to light in the context of the renewal of licences which gave rise for concern, namely, Accountant's Reports. Under the Act a Licensee is required, when renewing a licence, to submit an Accountant's Report stating the Licensee has in place accounting procedures for the protection of client moneys. The Accountant's Report required to be submitted with a first application involves a declaration by the applicant that certain systems and procedures, as specified in the Client Moneys Regulations (S.I. 181 of 2012), will be in place for the protection of client moneys. However, the Report to be submitted with an application for renewal requires the accountant to have carried out an examination of the transactions on the accounts and sign a declaration that the applicant was during the "accounting period" fully compliant with the licensee's obligations under the Regulations. There were considerable delays experienced in the furnishing of such Reports and at the end of 2014 the Authority had either refused or had issued a proposal to refuse to renew licences in 137 cases.

The distribution of licences issued up to the end of 2014 as between employers and employees is as follows:

Licensee Category	No. Licences
Company	1,027
Partnership	89
Sole Trader	369
Independent Contractor	621
Employee	4,094
Total	6,200

Of the 6,200 licences granted between July 2012 and December 2014 some were in respect of a single licence type while others were for all four licence types. The breakdown of such licences is as follows:

Licences Issued by Licence Types	
Type of Licence Issued	Licences Issued
A	227
A,B	67
A,B,C	2,661
A,B,C,D	878
A,B,D	6
A,C	15
A,C,D	4
A,D	6
B	183
B,C	717
B,C,D	317
B,D	1
C	300
C,D	222
D	596
Total	6,200

Overall, the response of licensees to the new requirements necessary to obtain a licence showed a marked improvement in 2014. While there has been a marked improvement there is still concern that many within the industry do not fully appreciate the implications for them of their failure to fully comply with their obligations.

Since the establishment of the Authority the Chief Executive has addressed many conferences held by the main representative bodies in the Industry, including the Society of Chartered Surveyors Ireland (SCSI), (the body resulting from the merger of the Irish Auctioneers and Valuers Institute with the Society of Chartered Surveyors), the Irish Property and Facility Management Association (now merged with the SCSI) and Institute of Professional Auctioneers and Valuers (IPAV), throughout the country in the course of which the new regulatory regime has been fully outlined. At all such conferences the implications for persons failing to comply with their statutory obligations have been stressed. Such conferences have enabled the CEO to address many thousands in the industry. However, conscious that the SCSI and IPAV do not represent the entire population of licensees, it is also now the practice, when issuing licences each year, to include in the covering letter a reminder of the licensees statutory obligations and the implications of failing to comply with such obligations.

Investigations

A central element of the Authority's regulatory powers is the investigation of Property Services Providers. There are three types of investigation which the Authority can undertake namely:

- the investigation of the illegal provision of property services by unlicensed service providers,
- the investigation of the standards in the provision of property services and statutory compliance by licensed service providers,
- the investigation and adjudication of complaints made against licensed service providers.

The investigation of persons providing property services without the appropriate licence is limited to establishing that the person in question is providing a property service as defined in the Act and that such service is being provided for a consideration. Once these two facts have been established it is a matter for the Authority to bring a prosecution before the courts for a breach of section 28 of the Act.

Investigations of standards in the provision of property services and statutory compliance by licensed service providers are carried out on the Authority's own volition. These involve examination of whether or not a licensee has engaged in "improper conduct" and whether or not the licensee has breached the Act.

The third type of investigation relates solely to "improper conduct" and arises on foot of complaints made by persons against a Property Services Provider.

As investigations into alleged "improper conduct", statutory compliance and standards apply only to licensees, the new licensing system had to be fully implemented before any investigations could be undertaken. The protracted nature of the work involved in fully implementing the new licensing regime, coupled with the limited staffing resources, meant that work on the

development of the necessary investigation procedures and undertaking investigations could not be commenced until the last quarter of 2013.

The basic legal framework and procedures for these types of investigations are set out in Part 7 of the Act. Briefly they cover:

- the circumstances and the manner in which the Authority may investigate “improper conduct”, as defined, by a Licensed Property Services Provider,
- the powers of entry and inspection of Inspectors appointed by the Authority to carry out investigations and the duties of such Inspectors,
- the duties of the Authority following the conclusion of an investigation, and
- the matters which the Authority must consider when coming to a decision on foot of an Inspectors report and in imposing sanctions.

It is important to understand that the Authority may only carry out an investigation of alleged “improper conduct” which is defined in the Act as follows:

“(a) the commission by the service provider of an act which renders him/her no longer a fit and proper person to provide property services,

(b) the commission by the service provider of a contravention of the following sections of the Act—

section 28(1), 29(9), 31(5), 37(1), (2), (4), (5), (6) or (7), 41(1), 43(1), (2) or (3), 44, (2), 56(1), 57(1), 58(3), 59(1), 60(1), 61, or 81(1) or (2), or

(c) the commission by the service provider of a contravention of a provision of regulations made under section 46, 62 or 95 of the Act,

(d) the giving by the service provider of a statement of advised market value or advised letting value of land which is clearly unreasonable.”

With regard to investigations the Authority may also carry out investigations into persons engaged in the provision of property services, as defined, who do not hold a licence to provide such services. However, where a person is found to be so engaged the Authority must bring a prosecution against such persons.

All that had been achieved in this area at the commencement of 2014 was the establishment of a comprehensive complaints database and an analysis of complaints received up to the end of 2013.

At the beginning of 2014 a further 6 staff were assigned to the Authority for the purpose of developing its investigations capability.

Up to the end of 2014 a total of 710 complaints had been received of which 362 were made during 2014. At the 31st December 2014 the status of all complaints received up to that date is as follows:

<u>Complaint Status</u>	
Initial Assessment Phase	382
Concluded/Declined/Not Accepted	179
Settled Agreed Between Parties	5
Withdrawn by Complainant	18
Inspection Phase	125
Appeal	1
Total	710

At the end of 2014 a total of 179 cases had been decided. The decision in most of these cases was to decline or not accept the complaint on the grounds that the subject matter of the complaint did not constitute improper conduct within the meaning of the Act. A total of 125 cases were deemed to require the appointment of an Inspector to carry out a full investigation of the

complaint. A further 382 cases had been acknowledged but a determination as to whether or not to carry out an investigation had not yet been made.

In addition to investigations into improper conduct the Authority also carried out investigations into allegations that persons were providing property services without a licence. A total of 198 complaints were received regarding persons trading without a licence. Having carried out an examination of these cases it was discovered that

- 61 of the cases related to persons who were in fact licensed,
- 7 of the cases related to persons who had licence applications pending,
- 72 of the cases related to persons who were identified as having ceased trading,
- prosecutions had been brought or were in train in respect of 5 cases ,
and
- evidence was being assessed in respect of 53 cases.

Compensation Fund

The Authority administers the Property Services Compensation Fund established under the Act. The purpose of the Fund is to compensate persons who sustain loss due to the dishonesty of a service provider. The Authority is required to ensure that the amount standing to the credit of the Fund is maintained at a minimum of €2 million, and this must be achieved within 4 years of its establishment.

The level of contribution payable to the Fund by a Property Services Employer is €200 per annum while that for an employee is €50 per annum.

The Authority, where it is satisfied that a client of a Property Services Provider has sustained a loss as a result of the dishonesty of the Property Services Provider must, subject to certain conditions specified in the Act, pay compensation from the Fund to the client.

At the 31st December 2014 the amount standing to the credit of the Fund was over €1.6 million. On the basis of the number of licences granted up to the end of 2014 the requirement to have €2 million in the Fund within 4 years of the establishment of the Authority can be achieved by maintaining the current level of contributions.

The Authority has decided to take out insurance on the Fund in order to protect it and ensure that the amount standing to the credit of the Fund is maintained at a minimum of €2 million. Preliminary discussions and arrangements for insuring the Fund were commenced towards the end of 2014 and are expected to conclude early in 2015.

Up to the end of 2014 no claims had been made on the Fund.

Public Registers

The Authority maintains three Public Registers namely, the Residential Property Price Register, the Register of Licensed Property Services Providers and the Register of Commercial Leases.

Residential Property Price Register

The particulars published include the price, the date of sale and the address of each residential property sold in Ireland since January 2010. The information is updated on a weekly basis and published within a month of the date of sale of the property.

From the initial publication in September 2012 to the end of December 2014 the site had over 4 million visits. This compares with 2 million visits up to the end of December 2013.

Register of Licensed Property Services Providers

The particulars published include:

- Name of Licensee
- Address of Licensee
- Category of Licensee (i.e. Company, Partnership, Sole Trader, Employee)
- Type of Licence held
- Licence Expiry Date

The Register is updated on a weekly basis.

The total number of licences issued since the establishment of the Authority to 31st December 2014 is 6,200. This compares with 5,382 licenses issued at the end of December 2013

Register of Commercial Leases

With effect from the date of the establishment of the Authority on 3rd April 2012 there is a statutory obligation on tenants of commercial properties to furnish the following information to the Authority:

- The address of the leased commercial property;
- The date of the lease of the property;
- The term of years of the lease;
- The rent payable in respect of the property;
- The commencement date of the terms of the lease;
- The capital consideration (if any) to be paid by the tenant or landlord in respect of the commercial property the subject of the lease;
- The frequency of the rent review in respect of the property;
- The particulars relating to who is liable in respect of the rates, insurance, service charges and repairs in respect of the property;
- The net floor area, per each floor, of the property;
- The particulars (if any) relating to rent-free periods, fitting out time allowed, fit out allowances and capital contributions in respect of the property;
- The particulars relating to any break-in clause in the lease; and
- The certificate identification number within the meaning of the Stamp Duty (E-stamping of Instruments) Regulations 2009.

The register contains information on all leases entered into since 1 January 2010 of which there were over 34,000 entries up to end of December 2014. This compares with a figure of 25,000 at the end of December 2013.

Since the establishment of the Authority on the 3rd April 2012 some 19,000 leases have been entered on the register at 31st December 2014. This, compares with 9,000 leases at the end of 2013.

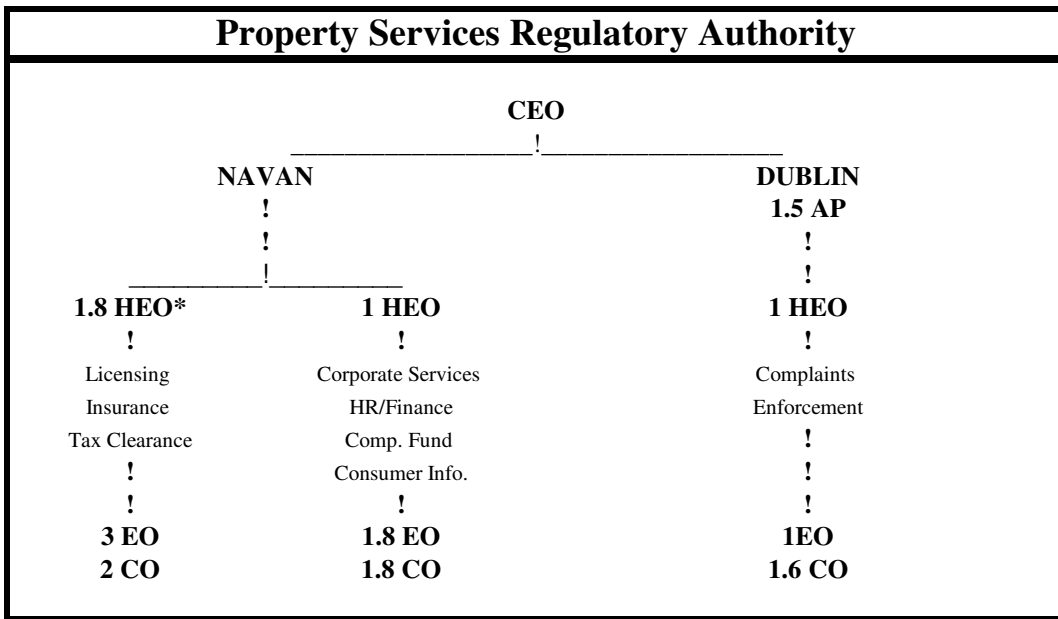
Staffing Resources

When the Authority was established it was considered that, at a minimum, a total of 30 staff (1CEO, 2AP, 10HEO, 11EO and 6CO) would be required to enable the Authority to carry out its functions. In addition to the initial allocation of staff to the Authority, a total of six extra staffing resources were provided towards the end of 2013 to manage the annual intake of some 300 complaints and to address the considerable arrears in the investigation of complaints. The Authority was also able to commence work on the promotion of consumer awareness and development of industry guidelines.

The Authority is also mandated as part of its statutory regulatory functions, to carry out compliance audits of its licensees. Towards the end of 2014, the Authority initiated a number of these audits. Overall, the fact that the staffing resources of the Authority remains below the minimum level required has seriously curtailed it in undertaking its full regulatory responsibilities.

These issues have been outlined in detail to both the Department of Justice and Equality and the Department of Public Expenditure and Reform. The Department of Public Expenditure and Reform in response, asked the Authority to consider outsourcing some of its work and the Authority, having carefully reviewed its functions and responsibilities, considered that this was the only realistic way in which it could fulfil its functions. A proposal for outsourcing much of the Authority's investigation work was prepared and submitted to both Departments in June 2014. Following discussions between the three organisations, sanction to proceed with the outsourcing proposal to procurement stage was granted by the Department of Public Expenditure and Reform in November 2014.

Staffing structure at 31 December 2014



During 2014, the Authority was supported by 10 temporary clerical officers for a period of twelve weeks who assisted in the processing of licence renewal applications. The availability to the Authority of these additional resources positively impacted on the processing time for both new and renewal licence applications.

Financing the Authority

Each year the fees generated by the Authority are paid into the Exchequer and financial provision is then made by the Exchequer to the Authority.

The Authority is required by law to be self financing. All of its costs, including staff costs, must be financed from the fees it generates.

Section 25(3) of the Act provides that the Authority make neither a profit or a loss and that the total amount of the fees charged annually shall, as nearly as may be, taking one year with another, be equal to the total expenditure incurred annually.

The fees generated from licensing during 2014 totalled €2.3 million.

On establishment in April 2012 up to the 31st December 2014 the Authority returned an income of €6.8 million to the Exchequer. In that period the total amount of the grants made from the Exchequer to the Authority has only been €2.6 million.

Since the establishment of the Authority a range of services have been provided by the Department of Justice and Equality for which no charges have been levied on the Authority. Such services include IT and Financial Services. In addition the Authority's accommodation costs are also being borne centrally.

At the end of the year discussions were ongoing regarding the costing of such services with a view to putting in place new fully costed Service Agreements between the Authority and the Department. Once these Agreements have been finalised and the full accommodation costs agreed the position in relation to the true contribution from the Exchequer to the Authority will become clearer.

APPENDIX
FINANCIAL STATEMENTS 2014



Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas

Property Services Regulatory Authority

I have audited the financial statements of the Property Services Regulatory Authority for the year ended 31 December 2014 under the Property Services (Regulation) Act 2011. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 22 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Property Services Regulatory Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions of the Authority and of the state of its affairs and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view, of the state of the Authority's affairs at 31 December 2014 and the transactions for 2014.

In my opinion, proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

29 June 2015

Financial Statements
Property Services Regulatory Authority
For the year ended 31 December 2014

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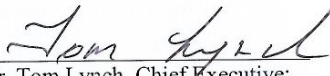
PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF AUTHORITY MEMBERS' RESPONSIBILITIES


Section 22 (2) of the Property Services (Regulation) Act 2011, requires the Authority to prepare financial statements in such forms and in respect of such accounting periods as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform. In preparing the financial statements, the Authority is required to:

- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Authority and which enable it to ensure that the financial statements comply with Section 22(2) of the Property Services (Regulation) Act 2011. The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015.

PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Property Services Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority.

We are satisfied that the systems, which the Authority has in place, are reasonable and appropriate for the Authority's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations. However, the systems do not, and cannot, provide absolute assurance against material error.

The Property Services Regulatory Authority has adopted the Code of Practice for the Governance of State Bodies issued by the Department of Finance.

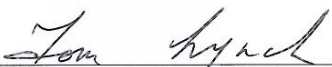
The Chief Executive Officer reviews the account of expenditure recorded on a monthly basis together with income received.

The Authority takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated to them by the Authority to give effect to the Authority's policy and decisions.

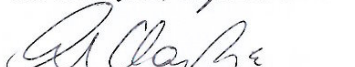
A detailed procedural manual has been prepared and put in place. Where possible, staff duties are appropriately divided taking account of the risks involved and the limited number of staff. The following specific procedures are in place in order to provide effective financial control.

1. Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. Procedures in this regard have been strengthened during the year through the implementation of recommendations emerging from internal audits.
2. Monthly management accounts are reviewed by the Chief Executive Officer.
3. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit division.
4. The Department of Justice Audit Committee reviews the work of internal audit.
5. The Authority is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the year ended 31 December 2014.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015.

PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts

The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Justice and Equality with the consent of the Minister for the Department of Public Expenditure and Reform. Reporting standards, recommended by the recognised accountancy bodies, are adopted as they become operative.

Income Recognition

Grant income from the Department of Justice and Equality and licence fee income are reported on a cash receipts basis. Licence fee income is recognised upon receipt of an application for a licence. Licence fee income is remitted to the Department of Justice and Equality. It is recorded as appropriations-in-aid in the Department's accounts. The Authority retains a balance in its accounts for refunding of fees.

Section 77(1) of the Act requires the Authority to establish, administer and maintain a fund to be known as the Property Services Compensation Fund. The accounts of the Fund are prepared and audited separately in accordance with Schedule 6 of the Act.

Expenditure

Payroll is processed by the Department of Justice and Equality and recorded in the financial statements on a cash payments basis.

All of the Authority's staff have been seconded from the Department of Justice and Equality. Pension liabilities of such staff will be met out of Superannuation Vote 12 and no provision has been made in these financial statements in respect of these costs.

Tangible Fixed Assets

Fixed assets are shown at the net book value at date of transfer to the Authority.

Fixed assets are depreciated on a straight-line basis over their estimated useful life starting in the month the asset is placed in service.

Furniture	10% Straight Line
IT Hardware & Software	20% Straight Line
Office Equipment	20% Straight Line

Capital Account

The capital account represents the unamortised value of income applied for capital expenditure.

PROPERTY SERVICES REGULATORY AUTHORITY


**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Income	Notes	2014	2013
		€	€
Oireachtas Grant	1	1,216,739	832,166
Income	2	2,205,610	2,107,200
Transfer from Capital Account	6	2,148	3,738
Total Income		3,424,497	2,943,104
Expenditure			
Staff costs	3	973,905	664,307
Administration	4	279,327	196,882
Audit fee		8,800	8,150
Depreciation	5	2,148	3,738
Total Expenditure		1,264,180	873,077
Net Income		2,160,317	2,070,027
Remittance to the Department of Justice and Equality		(2,250,000)	(2,350,000)
Operating (deficit)/surplus for the year		(89,683)	(279,973)
Surplus at the beginning of the year		111,132	391,105
Surplus at the end of the year		21,449	111,132

The Statement of Accounting Policies and notes 1 to 13 form part of these financial statements.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

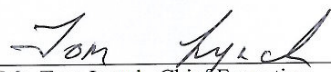
Date: 26/06/2015.

PROPERTY SERVICES REGULATORY AUTHORITY

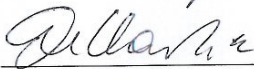
BALANCE SHEET AS AT 31 DECEMBER 2014

Fixed Assets	Notes	2014	2013
		€	€
Tangible fixed assets	5	8,390	2,654
Current Assets			
Bank and cash		60,912	105,791
Stocks	7	14,264	21,968
Debtors and prepayments		16,661	25,733
		91,837	153,492
Current liabilities			
Creditors and accruals		70,388	42,360
		21,449	111,132
Net Current Assets		21,449	111,132
Total Assets Less Current Liabilities		29,839	113,786
Financed By			
Capital Account	6	8,390	2,654
Income and Expenditure Account		21,449	111,132
		29,839	113,786

The Statement of Accounting Policies and notes 1 to 13 form part of these financial statements.


 Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


 Ms. Geraldine Clarke, Chairperson:

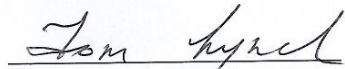
Date: 26/06/2015

PROPERTY SERVICES REGULATORY AUTHORITY


CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities	2014	2013
		€
Operating (deficit)/surplus for year	(89,683)	(279,973)
Depreciation of tangible assets	2,148	3,738
Transfer (from) capital account	(2,148)	(3,738)
Decrease/(Increase) in stock	7,704	13,391
Decrease/(Increase) in debtors and prepayments	9,072	9,749
(Decrease)/Increase in creditors and accruals	28,028	13,566
Net cash inflow/(outflow) from operating activities	(44,879)	(243,267)
Increase/(decrease) in cash	(44,879)	(243,267)
Reconciliation of net cashflow to movement in net (debt)/funds		
Net funds at start of year	105,791	349,058
Net funds at end of year	60,912	105,791
Increase/(decrease) in cash	(44,879)	(243,267)

The Statement of Accounting Policies and notes 1 to 13 form part of these financial statements.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015

PROPERTY SERVICES REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2014

1 Oireachtas Grant	2014	2013
	€	€
Vote 24 – Justice and Equality	1,216,739	832,166

Funding is provided by the Department of Justice and Equality which makes all payments on behalf of the Authority. The total grant represents the sum charged to the Appropriation Account of that Department.

2 Income	2014	2013
	€	€
Licence fee income received	2,387,780	
Less refunds	<u>(184,050)</u>	2,106,320
Commercial property register access fees	1,880	880
Total income	<u>2,205,610</u>	<u>2,107,200</u>

Auctioneers, Estate Agents, Letting Agents and Property Management Agents must be licensed and regulated by the Authority. Licence Fees are payable on an annual basis. The Authority in exercise of the powers conferred on it by section 95 of the Property Services (Regulation) Act 2011 with the consent of the Minister for Justice and Equality made regulations which came in to operation on 30 May 2012. The Property Services (Regulation) Act 2011 (Licensing) Regulations 2012 sets out the fee for the issue or renewal of a licence: property services employer €1,000, independent contractor €1,000 and principal officer or employee €100.

3 Staff Costs	2014	2013
	€	€
Wages and salaries	971,955	657,353
Travel and subsistence	1,950	6,954
Total	<u>973,905</u>	<u>664,307</u>

The Authority employed 18 whole time equivalent permanent staff (2013: 15.7) and 10 temporary staff in 2014 (2013: 7).

4 Administration Costs	2014	2013
	€	€
Board member fees	50,873	50,872
Postage and telecommunications	59,093	61,034
Office machinery and other office supplies	50,254	58,025
Office cleaning and maintenance	7,256	6,622
Light and heat	15,304	9,528
Legal fees	87,760	7,500
Bank fees	489	359
General expenses	8,298	2,942
	279,327	196,882

5 Fixed Assets

	IT	Office Equipment	Furniture	Total
	€	€	€	€
Cost				
At 1 January 2014	7,652	2,950	1,634	12,236
Additions	7,884	-	-	7,884
Disposals	-	-	-	-
At 31 December 2014	<u>15,536</u>	<u>2,950</u>	<u>1,634</u>	<u>20,120</u>
Accumulated Depreciation				
At 1 January 2014	5,312	2,636	1,634	9,582
Charged in the year ¹	1,968	180	-	2,148
Disposals	-	-	-	-
At 31 December 2014	<u>7,280</u>	<u>2,816</u>	<u>1,634</u>	<u>11,730</u>
Net Book Value				
At 1 January 2014	<u>2,340</u>	<u>314</u>	<u>-</u>	<u>2,654</u>
At 31 December 2014	<u>8,256</u>	<u>134</u>	<u>-</u>	<u>8,390</u>

¹ Depreciation was charged in the year on the original purchase cost of the assets.

6 Capital Account

	2014	2013
	€	€
Balance at 1 January 2014	2,654	6,392
Amortisation in line with depreciation	2,148	3,738
Additions	7,884	-
	8,390	2,654

7 Stock

	2014	2013
	€	€
Stationery	9,261	11,379
Photocopying / IT	3,759	10,469
Miscellaneous	1,244	120
	14,264	21,968

8 Pension Levy

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice and Equality pays salaries on behalf of the Authority. Pension levy deductions, as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009), are made by the Department and are retained as Appropriations-in-Aid for that Department.

9 Premises

The Authority operates from accommodation at Main Street, Navan, Co Meath which is provided free of charge by the Office of Public Works. The Authority also occupies an office in Bishop's Square, Dublin 1 for the purpose of investigating complaints since December 2013.

10 Members Declaration of Interests

The Authority adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by members and those procedures were adhered to in the period. There were no transactions in the period in relation to the Authority's activities in which members had any beneficial interest.

11 Chief Executive Remuneration

The Chief Executive's remuneration for the period was made up of an annual basic salary of €100,472. In addition the Chief Executive accrued approximately €3,500 in respect of travel and subsistence expenses for the period in accordance with civil service travel and subsistence rates. The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. No performance related payments were made in 2014.

12 Board Member Fees

The Property Services Regulatory Authority Board was set up on 3 April 2012. Fees of €38,155 were paid to the Authority board members in 2012, with €50,872 paid in 2013 and €50,873 paid in 2014 as follows;

Board Member	2014	2013
	€	€
Geraldine Clarke (Chairperson)	8,978	8,977
Paul Mooney	5,985	5,985
Patrick Davitt	5,985	5,985
Myles O'Reilly	5,985	5,985
Josephine Henry	5,985	5,985
James Doorley	5,985	5,985
Edward Carey	5,985	5,985
Deirdre Fox	5,985	5,985
	<u>50,873</u>	<u>50,872</u>

13 Approval of financial statements

These accounts were approved by the Authority on 3rd M. 2015



Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas

Property Services Compensation Fund

I have audited the financial statements of the Property Services Compensation Fund for the year ended 31 December 2014 under the Property Services (Regulation) Act 2011. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under schedule 6 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Property Services Regulatory Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions of the Fund and of the state of its affairs and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of affairs of the Fund for the year ended 31 December 2014 and the transactions for 2014.

In my opinion, proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

Matters on which I report by exception

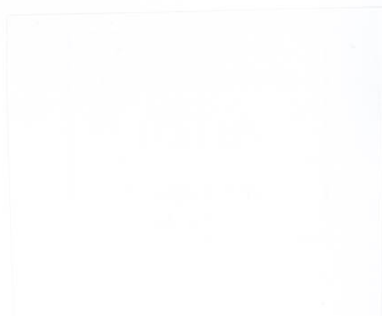
I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General
June 2015

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Financial Statements

Property Services Compensation Fund

For the year ended 31 December 2014

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Statement of Authority Members' Responsibilities	3
Statement of Internal Financial Control	4
Statement of Accounting Policies	5
Income and Expenditure Account	6
Balance Sheet	7
Cash flow Statement	8
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PROPERTY SERVICES COMPENSATION FUND

**STATEMENT OF PROPERTY SERVICES REGULATORY AUTHORITY
MEMBERS' RESPONSIBILITIES**

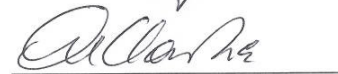
Schedule 6 (7) of the Property Services (Regulation) Act 2011, requires the Authority to prepare financial statements in such forms and in respect of such accounting periods as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform. In preparing the financial statements, the Authority is required to:

- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper and usual accounts of all moneys paid into the Compensation Fund and disbursements from the Compensation Fund, including an income and expenditure account, a cash-flow statement and a balance sheet, in accordance with Schedule 6 (7) of the Property Services (Regulation) Act 2011. The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015

PROPERTY SERVICES COMPENSATION FUND

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Property Services Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority.

We are satisfied that the systems, which the Authority has in place, are reasonable and appropriate for the Authority's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations. However, the systems do not, and cannot, provide absolute assurance against material error.

The Property Services Regulatory Authority has adopted the Code of Practice for the Governance of State Bodies issued by the Department of Finance.

The Chief Executive Officer reviews the account of expenditure recorded on a monthly basis together with income received.

The Authority takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated to them by the Authority to give effect to the Authority's policy and decisions.

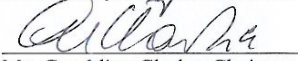
A detailed procedural manual has been prepared and put in place. Where possible, staff duties are appropriately divided taking account of the risks involved and the limited number of staff. The following specific procedures are in place in order to provide effective financial control.

1. Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. Procedures in this regard have been strengthened during the year through the implementation of recommendations emerging from internal audits.
2. Monthly management accounts are reviewed by the Chief Executive Officer.
3. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit division.
4. The Department of Justice Audit Committee reviews the work of internal audit.
5. The Authority is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the year ended 31 December 2014.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015.

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Accounts

The Property Services Regulatory Authority was established by statute on 3 April 2012. Section 77(1) of the Property Services (Regulation) Act 2011, requires the Authority to establish, administer and maintain a fund known as the Property Services Compensation Fund. Schedule 6 to the Act sets out the provisions of what shall be paid into and paid out of the Fund.

The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Justice and Equality with the consent of the Department of Public Expenditure and Reform. Reporting Standards, recommended by the recognised accountancy bodies, are adopted as they become operative.

2. Income Recognition

Contributions to the Fund are reported on a cash received basis.

3. Surplus on the Fund

The Fund is required, in accordance with Section 77(3) of the Act, to have a balance of not less than €2 million on and after the fourth anniversary of the date of its establishment.

4. Awards

Awards are recognised as expenditure when the Authority is satisfied that a client of a licensee suffers a loss as a result of dishonesty on the part of that licensee, or any persons acting on his/her behalf, arising from the provision of property services.

PROPERTY SERVICES COMPENSATION FUND


**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 €	2013 €
Income			
Contributions to the Fund	1	554,210	902,540
Deposit Interest received	1	8,880	5,517
Total Income		<u>563,090</u>	<u>908,057</u>
Expenditure			
Administration		-	-
Total Expenditure		<u>-</u>	<u>-</u>
Surplus for the year		563,090	908,057
Surplus at the beginning of the year		1,075,857	167,800
Surplus at the end of the year		<u>1,638,947</u>	<u>1,075,857</u>

The Statement of Accounting Policies and notes 1 and 2 form part of these financial statements


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015.

PROPERTY SERVICES COMPENSATION ACCOUNT

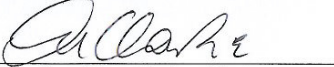
BALANCE SHEET AS AT 31 DECEMBER 2014

	2014 €	2013 €
Current Assets		
Bank and cash	1,638,947	1,075,857
	<u>1,638,947</u>	<u>1,075,857</u>
Current liabilities		
Creditors and accruals	-	-
	<u>-</u>	<u>-</u>
Net Current Assets	<u>1,638,947</u>	<u>1,075,857</u>
Total Assets	<u>1,638,947</u>	<u>1,075,857</u>
 Financed By		
Income and Expenditure Account	1,638,947	1,075,857
	<u>1,638,947</u>	<u>1,075,857</u>

The Statement of Accounting Policies and notes 1 and 2 form part of these financial statements.


Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015

PROPERTY SERVICES COMPENSATION FUND CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities

	2014	2013
	€	€
Increase/(decrease) in contributions to the Fund	563,090	908,057
Decrease/(increase) in Debtors and Prepayments	-	-
(Decrease)/increase in Creditors and Accruals	-	-

Net cash inflow/(outflow) from operating activities	563,090	908,057
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Increase/(decrease) in cash	563,090	908,057
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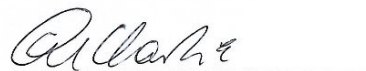
Reconciliation of net cashflow to movement in net (debt)/funds

	2014	2013
	€	€
Net funds at 1 January 2014	1,075,857	167,800
Net funds at 31 December 2014	1,638,947	1,075,857
Increase/(decrease) in Cash	563,090	908,057

The Statement of Accounting Policies and notes 1 and 2 form part of these financial statements.


 Mr. Tom Lynch, Chief Executive:

Date: 26/6/15


 Ms. Geraldine Clarke, Chairperson:

Date: 26/06/2015.

PROPERTY SERVICES COMPENSATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. Compensation Fund Income

	2014	2013
	€	€
Contributions to the Fund	554,210	902,540
Deposit interest received	8,880	5,517
	<u>563,090</u>	<u>908,057</u>

The Property Services Regulatory Authority in exercise of the powers conferred on it by section 95 of the Property Services (Regulation) Act 2011 with the consent of the Minister for Justice and Equality made regulations which came into operation on 30 May 2012. The Property Services (Regulation) Act 2011 (Compensation Fund) Regulations 2012 sets out the contribution to be made to the Fund by a person making an application for a licence or the renewal of a licence: property services employer €200, independent contractor €200 and principal officer or employee €50.

2. Commitments

No awards were made out of the Fund for the year ended 31 December 2014 and there are no outstanding commitments to grant awards at year end.