Financial Services Compensation Scheme

Class Statements

2017/18

HC 1204ii

Financial Services Compensation Scheme

Annual Report and Class Statements

2017/18

Presented to the House of Commons pursuant to Section 7 of the Government Resources and Accounts Act 2000

Ordered by the House of Commons to be printed on 28 June 2018

HC 1204ii part ii of ii

The Financial Services Compensation Scheme Annual Report and Accounts (part i) provides details on overall performance and much more. It was also presented to the House of Commons on 28 June 2018

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Financial Services Compensation Scheme Limited
Company number 3943048

CONTENTS

CLASS STATEMENTS

Section 01

CHAIRMAN'S STATEMENT

We shall continue to work closely with industry

Last year was the first time that FSCS published the Class Statements as a separate document, which set out our compensation and management costs, recoveries and levies. We do this again this year as we believe that our levy payers benefit from seeing this information, tailored to their needs. Indeed, the feedback provided illustrates that we are quite positively received for our efforts in this area. Given the frequent opportunities for feedback through our outreach with all of our constituents, as well as consultations directed by the Financial Conduct Authority, we have been able to respond and demonstrate real progress in this area. We shall continue to work closely with industry to find the best possible balance, and to reassure the public that we are providing fair and efficient outcomes, while closely monitoring our costs.

The Class Statements illustrate FSCS's cash flows, with volatility arising through the pay-as-you-go basis upon which any compensation costs arise. Here we show how things turned out through the year, and provide a reconciliation against this year's Annual Report and Accounts, which is prepared under International Financial Reporting Standards.

Balance is not easy to strike. Our goal is to meet the imperative of protecting all vulnerable consumers in areas covered by our statutes. We agree with the need to consider all of our stakeholders, including the regulatory family, our levy payers, and the people we are protecting. In short, the more the industry can do to eliminate their own risks, and the better educated the consumer, the lower the levies will be. We owe it to ourselves to work closely together to arrive at this balance over time, and transparency goes a long way. We pledge to continue to work with all parties to achieve the best outcomes, and while the volatility of costs is not directly controllable, we must all do our part. Please continue to provide feedback using the channels available to you as we improve the operation of the UK's protection system.

Marshall Bailey
Chairman, Financial Services Compensation Scheme
19 June 2018

Section 02

CHIEF EXECUTIVE'S STATEMENT

Last year, we published these Class Statements separately for the first time. These statements show the compensation and management costs and the recoveries which determine the size of our levies. This was warmly received by our levy payers in 2016/17, so we are publishing the Class Statements separately again.

2017/18 is the last year in which the levy year will run from 1 July to 30 June. From 2018/19, we are aligning the levy and financial years. This means that our levies in 2018/19 will cover the nine months from 1 July 2018 to 31 March 2019. We shall abate annual levy limits commensurately.

The story of 2017/18 – the year covered by these statements – illustrates once again the trade-offs involved in managing a pay-as-you-go regime. In raising levies, we try to avoid taking capital out of the industry ahead of need. Because, however, we can neither foresee new failures, nor always predict whether established claims trends will accelerate or decelerate, we sometimes find we need to raise supplementary levies or return unused funds. Our forecasts of cash flows are sensitive to the timing and scale of our recoveries.

You will see all these phenomena in play in 2017/18. We raised a supplementary levy of £24m to cover a shortfall of funds to meet claims against Life and Pensions advisers. This reflects a steady increase in the flow of these claims, on which I have commented in other places. Because our initial levy for the year had already exhausted the limit on this sector of £100m, this supplementary levy fell on other parts of the industry within the retail pool.

By contrast, we were able to repay £20m to general insurers.

We do our best to dampen this volatility by levying, in some cases, on the basis of a three-year average. But it is unavoidable in a pay-as-you-go system.

Mark Neale
Chief Executive, Financial Services Compensation Scheme
19 June 2018

From 2018/19, we are aligning the levy and financial years

Section 03

ANNUAL LEVY – 2017/18 IN SUMMARY

Movements in levies across all classes of activity

In April 2017, we announced a levy of £363m for 2017/18. This was £15m less than forecast in our *Plan and Budget: 2017/18*, published in January 2017, and did not allow for any unforeseen, sizeable failures. The levy for 2016/17 was £337m.

In addition, we raised a levy on the banks, building societies and credit unions to cover the interest costs of our HM Treasury loan for the Bradford & Bingley resolution. The interest amounted to £306m and the levy amounted to £202m, after offsetting recoveries received.

The levies reflected the compensation costs we expected to incur in 2017/18, and associated management expenses, offset by forecast recoveries and any surplus balances remaining at the end of 2016/17. The levies were raised in the summer of 2017 for the following 12 months, for the period 1 July 2017 to 30 June 2018, apart from the supplementary levy on the retail pool as noted below.

Our levies in the recent past have been relatively volatile, and while this year has been no exception, there have been no major new failures on the scale of the Enterprise and Gable insurance companies, which required supplementary levies on the General Insurance Provision class in 2016/17.

In January 2018, however, we were again required to raise a supplementary levy against the retail pool to fund compensation costs in the Life and Pensions Intermediation class, which were over its £100m levy limit. Our original levy announcement of £363m included a total of £147m for this class, £47m of which we elected to not collect until March 2018 so as to confirm more accurate requirements later in the year. The table below shows that the overall forecast for compensation payments in that class fell from £147m to £124m by January, so we raised the supplementary levy for £24m rather than £47m. This levy funded compensation for the high numbers of SIPP-related claims associated with advice to switch pension funds into high-risk investments.

At the same time as we raised a supplementary levy, we refunded £20m to insurance providers as claim payment levels were lower than initially forecast, mainly due to the revision of the "Ogden rate". We also made a £12m repayment to firms in the Investment Provision class following recoveries arising out of the Keydata failure.

Funding classes	2017/18 Final levy	2017/18 Supplementary levy (refunds)	2017/18 Major banking failure levy	2017/18 Total levies
	£m	£m	£m	£m
Deposits (SA01)	9	–	202	211
General Insurance Provision (SB01)	52	(20)	–	32
General Insurance Intermediation (SB02)	18	–	–	18
Life and Pensions Provision (SC01)	–	–	–	–
Life and Pensions Intermediation (SC02)	100	–	–	100
Funded by FCS Retail Pool	–	24	–	24
Investment Provision (SD01)	10	(12)	–	(2)
Investment Intermediation (SD02)	88	–	–	88
Home Finance Intermediation (SE02)	14	–	–	14
Base costs	25	–	–	25
	316	**(8)**	**202**	**510**

Section 4 contains more information on compensation costs in 2017/18.

The levy for management expenses in 2017/18 totalled £69.2m. Section 7 explains how the management expenses budget for the year was deployed.

Section 04

COMPENSATION COSTS

Total compensation costs for the year were £445m (2016/17: £375m). This rise in compensation payments from last year largely reflected an increase in payments for SIPPs and pension transfers in the Life and Pensions Intermediation class, and the provision made to compensate customers of Beaufort Asset Clearing Services Limited, in the Investment Intermediation class. These were part offset by a decrease in the General Insurance Provision class following the initial peak in payments for the failures of Enterprise and Gable in 2016/17.

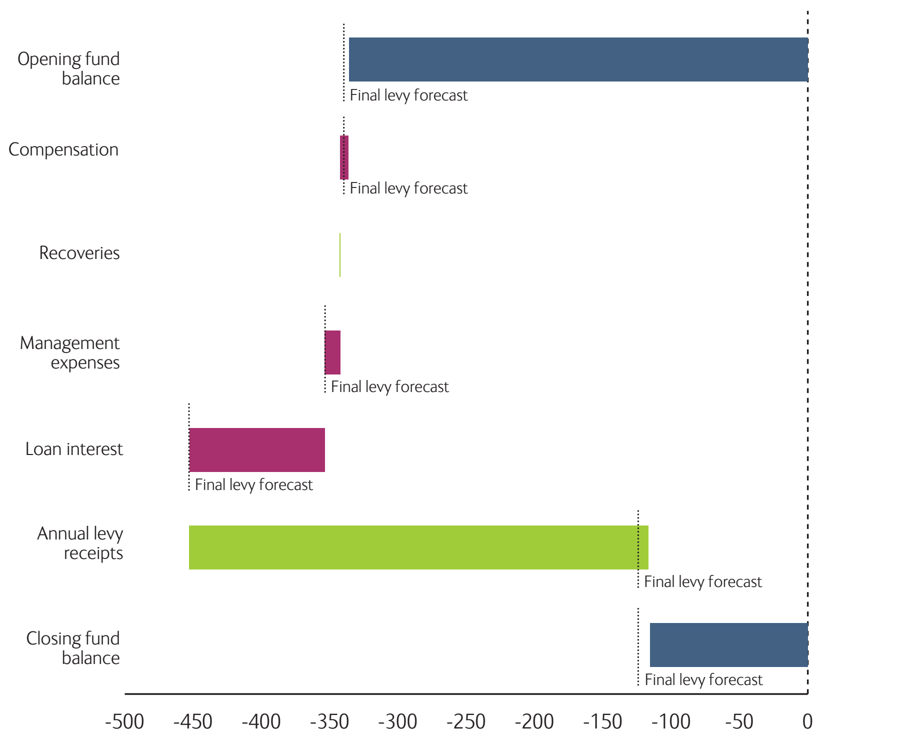
The charts in this section show the movements from the 2017/18 opening to closing positions as a 'waterfall'. The final levy forecast (published April 2017) is shown alongside.

Deposits

FSCS compensates depositors when a bank, building society or credit union becomes insolvent. During the year, we dealt with six credit union failures and paid £6m compensation to more than 10,000 customers, triple the amount of compensation paid during 2016/17. The average time from placing a credit union into default to compensating customers was less than three days – comfortably within our seven-day timeframe.

The illustration shows fund movements in the Deposits class as compared with the forecast in April 2017. The fund deficit of £336m at the beginning of the year is attributable to loan interest costs of £202m accrued in the 2016/17 financial year payable to HM Treasury in 2017/18 and a provision for costs of the Dunfermline Building Society failure.

2017/18 Levy – Deposits (SA01) £m



General Insurance Provision

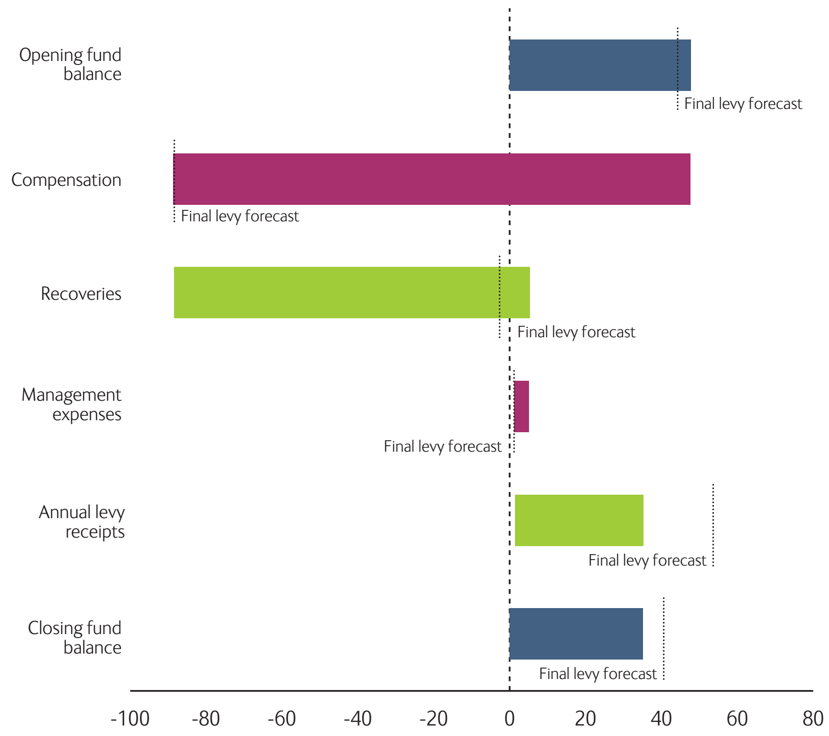
The fund movements in the General Insurance Provision class are illustrated opposite. In 2017/18, the receipt of £86m of recoveries from the estate of Independent Insurance greatly reduced the amount we were required to levy on this sector to fund compensation payments. Compensation costs for the year were £136m, a decrease of £18m against the previous year, and less than the £156m forecast made in April 2017. This was attributable mainly to the absence of any new failures, and revision of the Ogden rate. We made a repayment of £20m to firms in March 2018.

General Insurance Intermediation

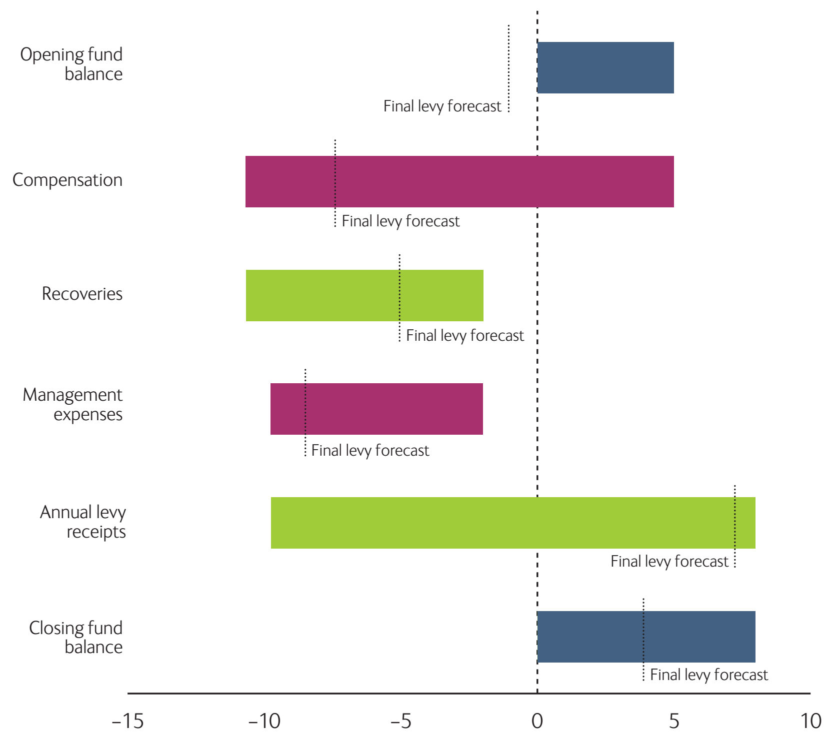
PPI claims amounted to almost all of the £16m compensation paid. We received 7,224 PPI claims during the year, a decrease of 5% on 2016/17; however, we are seeing increased complexity, and 80% of our PPI claims were submitted to FSCS via representative firms.

The illustration opposite includes fund movements relating to the Welcome Financial Services (Welcome) failure in 2011, including compensation costs of £2m and management expenses of £0.4m, offset in full by recoveries. Welcome compensation costs are not met by levy payers. Compensation costs were £16m, £4m higher than originally forecast. However, these unforeseen costs were funded by the surplus of £5m at the beginning of the year.

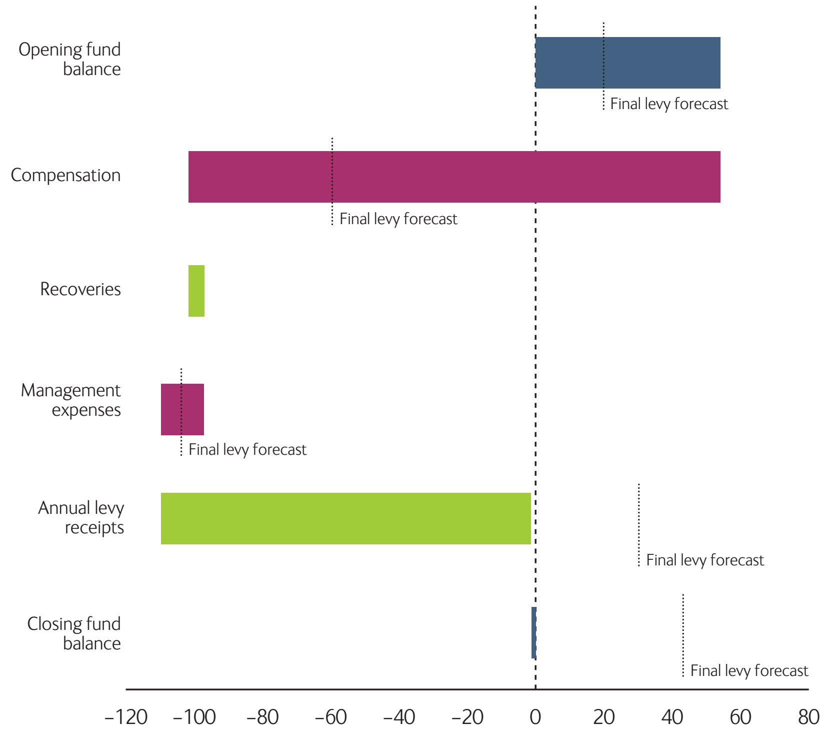
2017/18 Levy – General Insurance Provision (SB01) £m



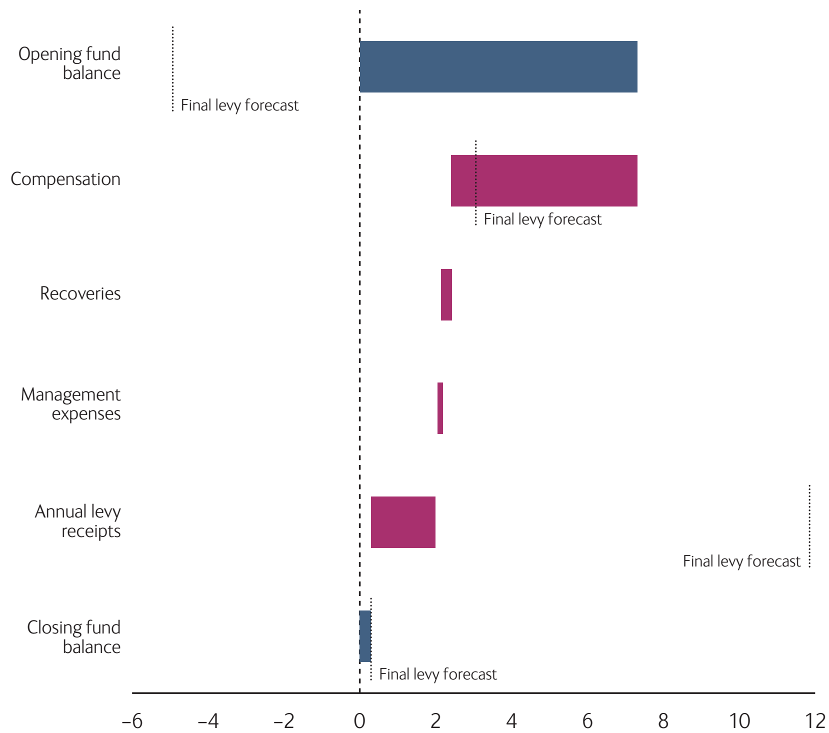
2017/18 Levy – General Insurance Intermediation (SB02) £m



2017/18 Levy – Life and Pensions Intermediation (SC02) £m



2017/18 Levy – Investment Provision (SD01) £m



Life and Pensions Intermediation

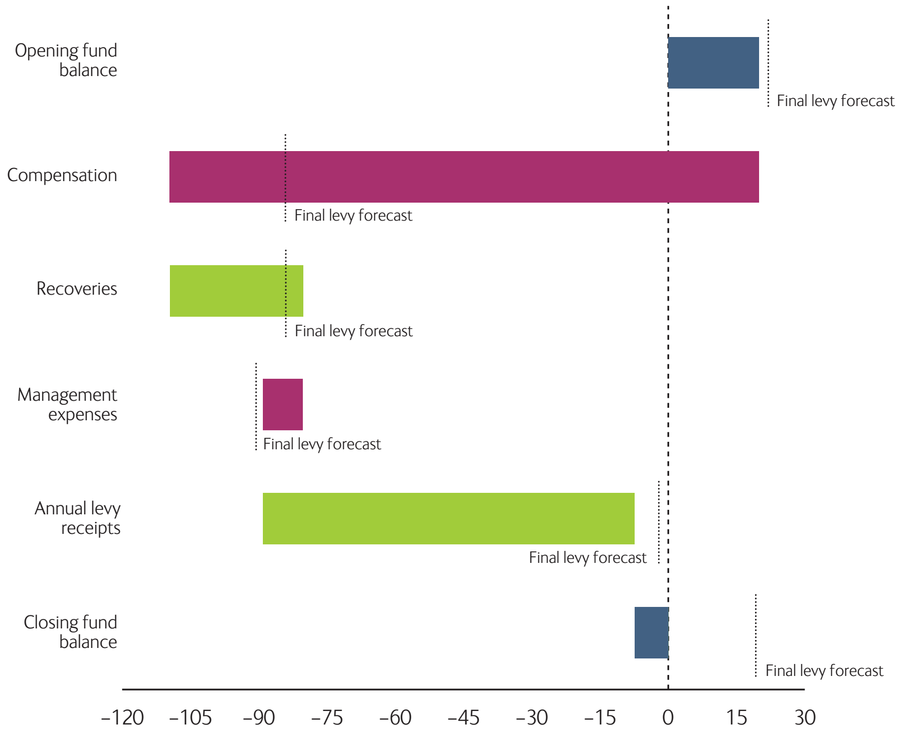
Most of the claims received are SIPP related, typically involving advice given by financial advisers to move pension savings out of existing occupational pension arrangements and invest in other investments within SIPP wrappers. These investments are often high risk and unsuitable for most investors, so some inevitably fail and become illiquid. This trend began three years ago and has continued this year, with claims against an increasing number of failed life and pensions advisers. Over the past year, FSCS has paid compensation of £112m for SIPP-related claims, £7m higher than in 2016/17. This year, FSCS has also seen an increase in other types of pension transfer claims falling under this class – up from £8m in 2016/17 to £43m this year. This category includes claims made against Independent Financial Advisers who gave negligent advice to transfer pensions out of defined benefit schemes into unsuitable assets.

The fund movements in the Life and Pensions Intermediation class are illustrated opposite. The increase in compensation payments again resulted in FSCS needing to raise a £24m supplementary levy in March, which fell on the retail pool.

Investment Provision

The compensation costs for the year were £5m, £4m lower than 2016/17 but still lower than we levied. The opening balance of £7m in this class was sufficient to meet compensation costs, and the annual levy of £10m was offset by the repayment of £12m relating to Keydata. This meant levy payers saw a net amount returned of £2m.

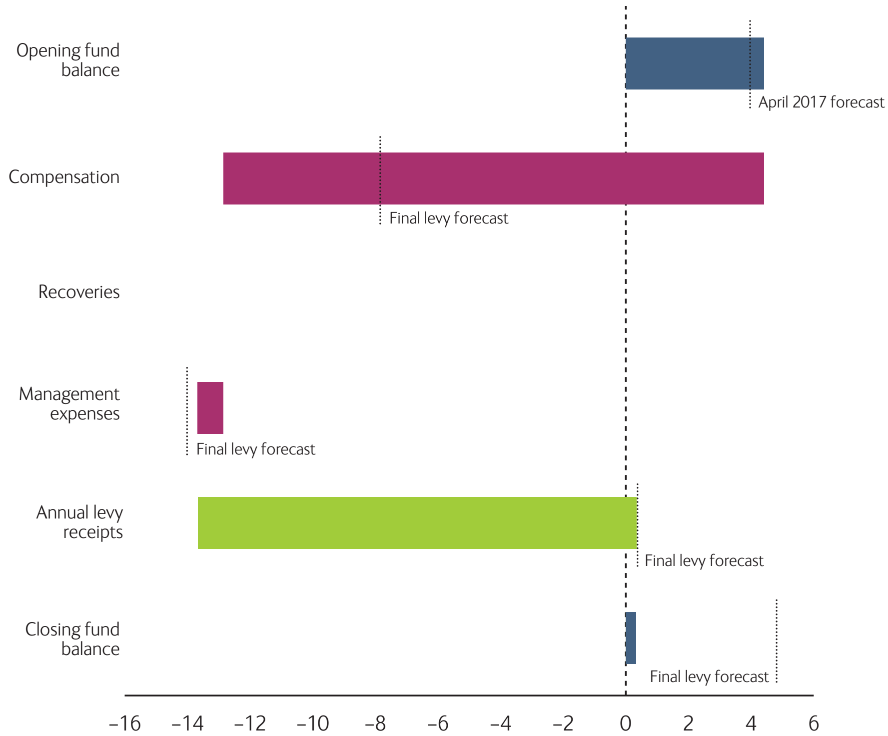
2017/18 Levy – Investment Intermediation (SD02) £m



Investment Intermediation

As in previous years, FSCS continued to see a significant, albeit lower, number of Investment Intermediation claims in relation to negligent advice to invest in unsuitable pooled investments. This year, Strand Capital Limited and Beaufort Asset Clearing Services Limited were placed into a Special Administration Regime. We have accrued £6m and £50m for their customers, respectively.

2017/18 Levy – Home Finance Intermediation (SE02) £m



Home Finance Intermediation

In 2016/17, FSCS saw an increase in compensation claims against mortgage brokers following the Emptage case. Ms Emptage was advised to borrow money secured against her residential property to purchase an 'off plan' property in Spain. A Court of Appeal ruling concluded that redress payable for losses caused by the regulated mortgage advice included losses arising from (unregulated) property investment.

In 2017/18, FSCS paid £17m compensation for Home Finance Intermediation. The vast majority of claims in this category related to a specific firm, Fuel Investments Limited, which had around 750 claimants. FSCS began to receive claims against this company in early 2015 and declared the firm in default in October 2015. In 2017/18, we continued to pay high numbers of claims relating to Fuel Investments, and overall paid £4.4m more than originally forecast. The deficit at the end of the levy year was not large enough to warrant raising a supplementary levy, so will be funded by an increase in the annual levy for 2018/19.

Section 05

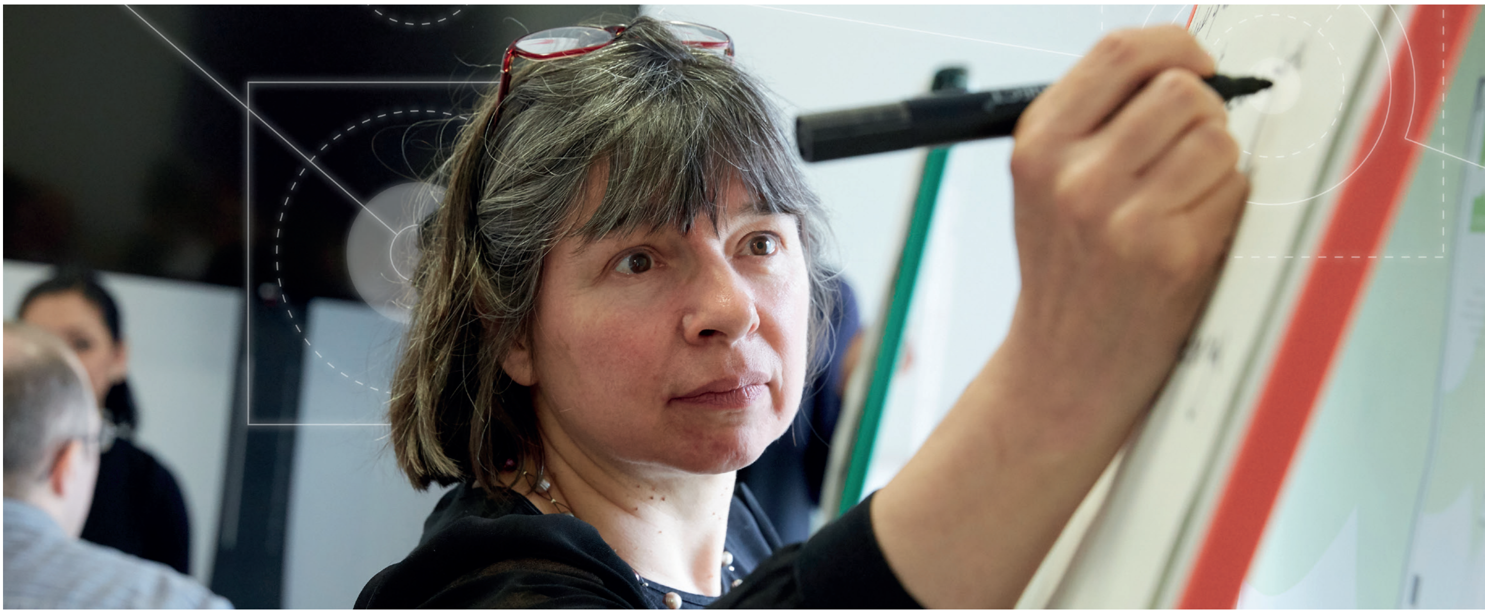
RECOVERIES

FSCS has a duty to pursue recoveries where reasonably possible and cost effective

Many recoveries are made through dividends after filing a claim in the insolvency processes of failed firms. We also look to recover funds from claims against professional indemnity insurers. Recoveries may also be sought against other relevant third parties, depending on the particular circumstances that led to our paying compensation.

Amounts recovered in the year from the 2008/09 legacy failures were £12m. These funds will be used to reduce the levy charged to meet the interest payable on the loan from HM Treasury relating to the Bradford & Bingley resolution in 2008. We made full recovery from Bradford & Bingley in 2018/19, and used the proceeds immediately to settle with HM Treasury.

As set out in our *Plan and Budget: 2017/18*, we pursued further recoveries action against a number of lenders for the costs of Payment Protection Insurance mis-selling claims. We have successfully concluded a number of settlements for the benefit of levy payers (although individual settlements are confidential).



Section 06

2008/09 MAJOR BANK FAILURES AND LEGACY COSTS

Major recovery work on several large banking estates

Bradford & Bingley

On 25 April 2017, £11bn of the loan owed to HM Treasury was redeemed using proceeds from the sale of two separate Bradford & Bingley asset portfolios to Prudential and funds managed by Blackstone. In November 2017, UK Asset Resolution announced it had launched a further asset sale process. The transaction completed in 23 May 2018, involving loan repayments of £4.7bn to HM Treasury for the remaining FSCS loan. This means that the £15.65bn of compensation FSCS paid when Bradford & Bingley was nationalised in 2008 has now been repaid in full.

Dunfermline Building Society

During the year, we settled our liability with HM Treasury relating to Dunfermline Building Society, using funds already secured from recoveries. We anticipate no further activity relating to this failure.

Other legacy estates

As a result of the recoveries in previous years, we have no further liabilities relating to other legacy estates and we do not expect to levy the industry any more to meet these outstanding costs. Any future recoveries received will be returned to the levy payers in this class.

Interest payable on HM Treasury loans

The loan from HM Treasury to FSCS to fund the resolution of Bradford & Bingley continues to accrue interest. Owing to the recovery of £11bn in April 2017, which was used to repay HM Treasury, interest payable for the year reduced to £99m (2017: £306m). To meet this, £46m will be levied on firms in the Deposits class before 1 September 2018. ●

Section 07

MANAGEMENT EXPENSES

Management expenses decreased by £0.2m from the previous year and were within the budget of £69.2m set for the year.

The decrease is largely attributable to a reduction in project costs, from the previous year. Additionally, a reduced dependency on contractors and the increased uptake of the claims portal by our customers has resulted in further cost reductions.

This has been partially offset by an increase in outsourcing costs related to SIPPs and pension related claims volume increases. Additional legal and professional costs were incurred in pursuit of recoveries, coupled with rising bank charges associated with the revolving credit facility, for which the borrowing limit increased from £1.1bn to £1.45bn during 2017/18.

	Year ended 31 March 2018 (£m)	Year ended 31 March 2017 (£m)
Outsourcing costs	15.8	14.8
Employment costs	18.0	17.6
Other staff costs	1.9	2.9
Strategic change portfolio	8.9	9.9
Communications	3.3	4.0
Other core costs	19.4	18.0
Major banking failures	0.0	0.2
Total management expenses (excluding pension deficit funding)	**67.3**	67.4
Pension deficit funding	1.9	2.0
Total management expenses	**69.2**	69.4

Section 08

LOOKING FORWARD

Anticipating our activities in 2018/19

During the past year, the FCA published consultation paper CP17/36: *Reviewing the funding of the Financial Services Compensation Scheme (FSCS): feedback from CP16/42, final rules, and new proposals for consultation*, on the rules relating to FSCS's funding and our compensation coverage. Proposals for change included looking at the role of levy payers' professional indemnity insurance and the possibility that providers of financial products could contribute towards the costs of their associated intermediation class. The paper also proposed raising the compensation limits from £50,000 to £85,000 for investment provision and intermediation, home finance intermediation and debt management claims. It was proposed that intermediation of long-term care insurance will have no limit on the claim amount.

On 1 May 2018, the FCA published a further paper, CP18/11: *Reviewing the funding of the Financial Services Compensation Scheme (FSCS): feedback from CP17/36, final rules and new proposals for consultation,* putting these rules into effect from 1 April 2019, and continuing to explore the possibility of risk-based levies, and improved Professional Indemnity Insurance.

With the support of the industry, we continue to raise awareness of protection in the deposit-taking sector in particular. Awareness of protection is at 81%, surpassing our target of 70%.

We signed an agreement with banks and building societies to include the FSCS badge in their communications, including their application forms and websites, as well as their advertising. We are grateful to UK Finance and the Building Societies Association for their support. We have set up a working group with the pensions and insurance industries with the aim of reaching a similar agreement.

We work closely with our colleagues at the FCA, the Bank of England's PRA and HM Treasury to monitor developments. FSCS provides analysis of claims data and lessons learned from specific firm failures to assist the authorities. We are also pleased to work with industry and consumer bodies such as the statutory panels and trade associations.

Internationally, we work closely with our counterparts and are actively involved in bodies such as the European Forum of Deposit Insurers (EFDI), the International Association of Deposit Insurers (IADI) and the International Forum of Insurance Guarantee Schemes (IFIGS). This helps us to fulfil our cross-border obligations. The exchange of experience and lessons learned helps FSCS to develop.

While the UK is a member of the EU and during an implementation period, the UK financial system will continue to be regulated in accordance with its existing obligations as an EU Member State. FSCS will continue to protect depositors, policyholders, investors and others.

FSCS will continue to work closely with HM Treasury, the Bank of England and the FCA on the implications of EU withdrawal for FSCS and consumers. The impact of EU withdrawal on the framework for financial regulation in the UK, and FSCS protection, will depend, in part, on the relationship that the UK agrees with the EU in the future. ●

Section 09

AUDITOR'S REPORT

Report of the Comptroller and Auditor General to the Directors of Financial Services Compensation Scheme

Opinion on financial statements

I have audited the Financial Services Compensation Scheme (FSCS) Class Statements for the year ended 31 March 2018 which comprise the Statements of Fund Movements; Assets and Liabilities; Base Costs and Related Levies; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion, the financial statements for the year ended 31 March 2018 have been properly prepared in accordance with:

- Section 218 of the Financial Services and Markets Act 2000;
- the Financial Conduct Authority (FCA) Handbook and Prudential Regulatory Authority (PRA) Rulebook;
- the FCA-FSCS Memorandum of Understanding (Section 27 to 28);
- the PRA-FSCS Memorandum of Understanding (Section 34 to 35); and
- the accounting policies set out on pages 27 to 29.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of FSCS in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial statements

The directors of FSCS are responsible for the preparation of the financial statements and for being satisfied that they have been properly prepared.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK).

This report, including the opinion, has been prepared for and only for the directors of FSCS

I report to you my opinion as to whether the financial statements are properly prepared in accordance with:

- Section 218 of the Financial Services and Markets Act 2000;
- the FCA Handbook and PRA Rulebook;
- the FCA-FSCS Memorandum of Understanding (Section 27 to 28);
- the PRA-FSCS Memorandum of Understanding (Section 34 to 35); and
- the accounting policies set out on pages 27 to 29

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit.
I 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 my 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 FSCS's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters where I have agreed under the terms of our engagement to report to you if, in my opinion:

- adequate accounting records have not been kept for the classes, and proper returns adequate for the audit have not been received from any third parties; or
- I have not received all of the information and explanations I required for my audit.

Sir Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

25 June 2018

Section 10

STATEMENT OF FUND MOVEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	Total		Compensation costs net of recoveries relating to the 2008/09 banking failures		Deposits SA01		General Insurance Provision SB01		General Insurance Intermediation SB02		Life and Pensions Provision SC01	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
Compensation and interest	**(444,965)**	(375,262)	–	(5)	14,165	3,323	(136,324)	(154,032)	(15,666)	(12,399)	–	–
Exchange gain/ (loss)	**(75)**	195	–	–	–	–	(34)	–	(4)	–	–	–
Other income	–	–	–	–	–	–	–	–	–	–	–	–
Recoveries received	**148,851**	11,063,358	12,467	11,035,770	523	2,463	93,670	4,029	8,688	14,619	–	–
	(296,189)	10,688,291	12,467	11,035,765	14,688	5,786	(42,688)	(150,003)	(6,982)	2,220	–	–
Attributable management costs:												
Specific costs	**(45,194)**	(48,363)	–	–	(11,386)	(10,798)	(3,835)	(4,974)	(7,762)	(9,247)	–	(7)
Specified deposit defaults interest	**(99,009)**	(306,246)	–	–	(99,009)	(306,246)	–	–	–	–	–	–
	(144,203)	(354,609)	–	–	(110,396)	(317,043)	(3,835)	(4,974)	(7,762)	(9,247)	–	(7)
Interest received:												
Gross before tax	–	–	–	–	–	–	–	–	–	–	–	–
Tax at 20%	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–
Levies received	**464,331**	709,991	–	–	210,551	359,733	33,863	154,013	18,331	7,969	–	–
Cross-subsidy transfer	–	–	(125,526)	–	125,526	–	–	–	(607)	(8,210)	–	–
Repayment of recoveries	–	–	–	–	–	–	–	–	–	–	–	–
Funds brought forward	(4,699,239)	(15,742,912)	(4,502,091)	(15,537,857)	(335,686)	(384,162)	47,686	48,651	4,991	12,259	181	188
Funds carried forward	**(4,675,299)**	**(4,699,239)**	**(4,615,150)**	**(4,502,091)**	**(95,317)**	**(335,686)**	**35,026**	**47,686**	**7,971**	**4,991**	**181**	**181**

Life and Pensions Intermediation SC02		Investment Provision SD01		Investment Intermediation SD02		Home Finance Intermediation SE02		Home Finance Providers-FCA retail pool SRI1		Insurers General-FCA retail pool SRH1		Insurers Life-FCA retail pool SRG1		Deposit Acceptors-FCA retail pool SRF1	
2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
(155,528)	(104,773)	(4,902)	(8,779)	(129,454)	(82,327)	(17,256)	(16,270)	–	–	–	–	–	–	–	–
(17)	–	(3)	–	(16)	194	(2)	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4,540	372	(285)	(9)	29,247	6,114	–	–	–	–	–	–	–	–	–	–
(151,004)	(104,401)	(5,189)	(8,788)	(100,223)	(76,019)	(17,257)	(16,270)	–	–	–	–	–	–	–	–
(12,561)	(9,410)	(136)	(115)	(8,688)	(12,786)	(826)	(1,026)	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(12,561)	(9,410)	(136)	(115)	(8,688)	(12,786)	(826)	(1,026)	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
101,397	103,069	(926)	7,463	85,348	48,874	14,344	21,830	52	1,213	372	960	790	1,885	209	2,982
6,897	25,919	(765)	(5,470)	(3,759)	(4,110)	(344)	(1,090)	(52)	(1,213)	(373)	(960)	(790)	(1,885)	(209)	(2,982)
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
54,031	38,854	7,311	14,221	19,922	63,964	4,416	972	–	–	–	–	–	–	–	–
(1,239)	**54,031**	**295**	**7,311**	**(7,400)**	**19,922**	**333**	**4,416**	–	–	–	–	–	–	–	–

STATEMENT OF ASSETS AND LIABILITIES AT 31 MARCH 2018

Funding sub-class code	Total		Compensation costs net of recoveries relating to the 2008/09 banking failures		Deposits SA01		General Insurance Provision SB01		General Insurance Intermediation SB02		Life and Pensions Provision SC01	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
Current assets:												
Net amounts due from FSCS	**51,682**	**146,576**	–	–	–	–	39,740	52,888	8,112	5,177	181	181
Taxation	–	–	–	–	–	–	–	–	–	–	–	–
Term deposits and cash at bank	**71,326**	**164,917**	–	–	71,326	164,917	–	–	–	–	–	–
	123,008	**311,493**	–	–	71,326	164,917	39,740	52,888	8,112	5,177	181	181
Current liabilities:												
Net amounts due to FSCS	**(4,786,681)**	**(459,092)**	(4,615,150)	–	(166,455)	(459,092)	–	–	–	–	–	–
Taxation	–	–	–	–	–	–	–	–	–	–	–	–
Bank overdrafts	**(11,626)**	**(8,186)**	–	–	(188)	(148)	(4,714)	(5,202)	(141)	(186)	–	–
	(4,798,308)	**(467,278)**	(4,615,150)	–	(166,643)	(459,240)	(4,714)	(5,202)	(141)	(186)	–	–
Long-term liabilities:												
Net amounts due to FSCS	–	**(4,543,454)**	–	(4,502,091)	–	(41,363)	–	–	–	–	–	–
Total net assets/ (liabilities)	**(4,675,299)**	**(4,699,239)**	**(4,615,150)**	**(4,502,091)**	**(95,317)**	**(335,686)**	**35,026**	**47,686**	**7,971**	**4,991**	**181**	**181**

Life and Pensions Intermediation SC02		Investment Provision SD01		Investment Intermediation SD02		Home Finance Intermediation SE02		Home Finance Providers-FCA retail pool SRI1		Insurers General-FCA retail pool SRH1		Insurers Life-FCA retail pool SRG1		Deposit Acceptors-FCA retail pool SRF1	
2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
2,622	55,507	517	7,440	–	20,917	510	4,466	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2,622	55,507	517	7,440	–	20,917	510	4,466	–	–	–	–	–	–	–	–
–	–	–	–	(5,076)	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(3,860)	(1,475)	(221)	(129)	(2,323)	(995)	(177)	(50)	–	–	–	–	–	–	–	–
(3,860)	(1,475)	(221)	(129)	(7,400)	(995)	(177)	(50)	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(1,239)	**54,031**	**295**	**7,311**	**(7,400)**	**19,922**	**333**	**4,416**	–	–	–	–	–	–	–	–

STATEMENT OF BASE COSTS AND RELATED LEVIES AT 31 MARCH 2018

Base Cost Fund Account	FCA fee block													
	Total		Minimum Fee A000		FCA Prudential Fee AP00		Deposit Takers A001		Home Finance Providers A002		General Insurance A003		Life Insurance A004	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2016/17 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
Levies received	**12,565**	**11,089**	545	485	456	418	1,997	1,826	452	464	698	596	1,164	992
Base costs allocated	**(12,246)**	**(10,725)**	(528)	(463)	(448)	(403)	(1,966)	(1,776)	(457)	(449)	(685)	(586)	(1,150)	(987)
Balance at 1 April	**1,552**	**1,188**	88	66	63	47	232	182	66	50	81	71	122	117
Funds carried forward	**1,871**	**1,552**	**105**	**88**	**70**	**63**	**263**	**232**	**61**	**66**	**95**	**81**	**136**	**122**

Base Cost Fund Account	PRA fee block									
	Total		Deposit Takers PA01		General Insurance PA03		Life Insurance PA04		Society of Lloyd's PA06	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
Levies received	**12,464**	**10,973**	8,088	7,696	1,929	1,322	2,349	1,878	98	78
Base costs allocated	**(12,246)**	**(10,725)**	(7,956)	(7,012)	(1,867)	(1,615)	(2,329)	(2,015)	(94)	(84)
Balance at 1 April	**1,589**	**1,341**	1,051	368	243	536	283	420	13	18
Funds carried forward	**1,807**	**1,589**	**1,184**	**1,051**	**305**	**243**	**302**	**283**	**17**	**13**

	FCA fee block																	
	Society of Lloyd's A006		Fund Managers A007		Operators/ Trustees Collective Investment Schemes A009		Firms Dealing as Principal A010		Advising/ Arranging (not holding client money) A013		Corporate Finance Advisers A014		Home Finance Mediation A018		General Insurance Mediation A019		Firms holding client money or assets, or both A021	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
	9	6	1,281	973	342	366	1,449	1,283	2,198	1,755	393	333	441	451	755	730	386	410
	(8)	(7)	(1,235)	(1,028)	(338)	(285)	(1,433)	(1,189)	(2,027)	(1,778)	(385)	(326)	(448)	(439)	(756)	(666)	(382)	(345)
	2	3	147	201	48	(34)	175	81	241	265	47	39	76	64	120	56	46	(19)
	2	**2**	**193**	**147**	**51**	**48**	**191**	**175**	**412**	**241**	**55**	**47**	**68**	**76**	**119**	**120**	**50**	**46**

The Class Statements on pages 20 to 25 were approved by the Board of Financial Services Compensation Scheme Limited, as designated Scheme Manager of the Classes, on 22 May 2018 and signed on its behalf on 19 June 2018 by:

Marshall Bailey
Chairman, Financial Services Compensation Scheme

NOTES TO THE CLASS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The powers of the FCA and the PRA (previously the FSA) under the Financial Services and Markets Act (2000) (FSMA) became effective as at midnight on 30 November 2001.

Under the relevant rules set out in the FCA Handbook and the PRA Rulebook, for funding purposes, and effective from 1 April 2013, FSCS is split into classes, comprising: Deposits (Class A); General Insurance Provision (Class B1); General Insurance Intermediation (Class B2); Life and Pensions Provision (Class C1); Life and Pensions Intermediation (Class C2); Investment Provision (Class D1); Investment Intermediation (Class D2); and Home Finance Intermediation (Class E2). The accounts must show:

(1) the funds held to the credit of each class; and

(2) the liabilities of that class.

Statement of the directors' responsibilities in respect of the Class Statements

The directors of Financial Services Compensation Scheme Limited (FSCS) present their annual report and audited Class Statements for the year ended 31 March 2018, with comparatives, including the equivalent fund balances for the year ended 31 March 2017.

The directors of FSCS are responsible for keeping adequate accounting records that are sufficient to show and explain the Class transactions and disclose with reasonable accuracy at any time the fund balances of the Classes. The directors of FSCS are also responsible for the preparation of these financial statements and for being satisfied that they have been properly prepared and comply with the relevant requirements as set out in Note 1 below. They are also responsible for safeguarding the assets of the Classes and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

1 Requirement to publish Class Statements

Section 218 of FSMA requires us to prepare a statement of the value of each of the funds established by Financial Services Compensation Scheme Limited ('the Scheme Manager'). This statement, referred to as the Class Statements, is prepared by the Scheme Manager in accordance with the Financial Conduct Authority Handbook and the Prudential Regulation Authority Rulebook.

Class Statements are not the statutory financial statements of the Scheme Manager and have not been prepared under the basis of International Financial Reporting Standards as adopted by the European Union ("IFRS"). The statutory financial statements are subject to a separate audit engagement and opinion. Financial information other than that prepared on the basis of IFRS does not necessarily represent a true and fair view of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

Our 2017/18 Annual Report and Accounts are the company's statutory financial statements prepared under IFRS as adopted by the EU and in accordance with the Companies Act 2006. This is a separate publication which may be found on our website at www.fscs.org.uk/industry/publications/annual-reports/. The 2017/18 Annual Report and Accounts will be delivered to the Registrar of Companies within the statutory time frame and the auditors' report thereon was unqualified.

The Class Statements exclude certain estimates and judgements and are aligned with the calculation of levies. The presentation of the Class Statements enables each class of levy payer to understand the financial position of their class at the end of the financial year. The recognition criteria for levies and recoveries in the Class Statements are different from those in the Scheme Manager's statutory financial statements. The basis of recognition is described in Note 2 below.

2 Accounting policies

The accounting policies adopted in preparing the Class Statements are consistent with those in the Accounting Policies adopted in the statutory financial statements, except for Levies and Recoveries as described below.

Levies

The Scheme Manager raises levies on authorised financial services firms which are recognised in the Class Statements on receipt. Similarly, remission or rebates of levies are recognised in the Class Statements on payment.

Recoveries

Recoveries are only recognised in the Class Statements when dividends are notified by insolvency practitioners or agreed recoveries are notified by other third parties. In the absence of notification, recoveries are recognised on receipt.

Reconciliations between amounts in the statutory financial statements and the Class Statements for levies and recoveries can be found in the appendices.

a) Basis of accounting

The Class Statements have been prepared under the historical cost convention and on the basis that Financial Services Compensation Scheme Limited, as the designated Scheme Manager, will exercise its responsibilities under FSMA and the FCA and the PRA rules to recover management expenses and compensation costs on behalf of the classes. The Class Statements have been prepared under:

- Section 218 of FSMA;
- the FCA Handbook and PRA Rulebook;
- the FCA-FSCS Memorandum of Understanding (sections 27 to 28);
- the PRA-FSCS Memorandum of Understanding (sections 34 to 35); and
- the accounting policies set out here and overleaf.

Due to rounding, numbers presented throughout this document and the appendices may not add up precisely to the totals provided.

The accounting policies have been selected by the Scheme Manager.

b) Compensation costs

Compensation costs are only recognised when the eligibility and quantum of the claim are known, or for reinstatement cases when fully valued. In most cases, this is when the claim has been assessed and a decision has been made, as before that point the eligibility and quantum of the claim cannot be known.

In the case of deposit defaults, Special Administration Regime (SAR) defaults and return of premium cases, these do not generally require an application form or decision to be made by FSCS; therefore, the expenditure is recognised when the firm is declared in default. In addition, compensation costs payable under various Orders (referred to as deemed compensation) are recognised when the firm is declared in default.

c) Recoveries

Recoveries are credited to funds when notification is received in respect of dividends from insolvency practitioners, or notified and agreed in respect of other recoveries. Where no notification is received, recoveries are credited on receipt. This differs from the accounting policy for recoveries adopted in the statutory financial statements where recoveries are also recognised if it is probable that future economic benefits from a recovery will flow to the Scheme Manager and the value can be measured reliably (based on the best information available to the directors).

NOTES TO THE CLASS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

d) Management expenses
Management expenses comprise base costs, being the management expenses not attributable to any particular class, and specific costs, which are the remaining costs that cover the handling, payment of compensation and any other costs which can be directly attributable to a particular class. The specific costs are allocated by FSCS to each class and in accordance with the levy principles contained within the relevant rules of the FCA Handbook and the PRA Rulebook. The base costs are not allocated to classes but are shown against the FCA and PRA fee blocks by which they are levied.

e) Interest receivable
Interest received on cash deposits is credited to the classes in proportion to their relative fund balance.

f) Levies
The classes are funded by levies on firms authorised by the FCA and/or the PRA. The FCA raises levy invoices, on behalf of FSCS, which are credited to the classes on a receipts basis. Levies refunded are accounted for on payment. Where requests for the remission or rebate of a levy have been made, this is only recognised in the classes when payment is made. Under the funding arrangements that took effect on 1 April 2013, the amount that can be raised by levy in the year will vary, depending on the funding class. Only FCA classes will receive support from other classes, and so for PRA classes the amount that FSCS can levy in any year is the individual class limit. For FCA classes, it is the amount of the relevant FCA retail pool. Levies received during the year from a receiving FCA class are shown as levies received in the class accounts of the receiving FCA class, together with a corresponding transfer out to the relevant FCA class. Any provision or contingent liability recognised in FSCS for levy rebates is only recognised in the Class Statements when payment is made.

g) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the start of the month in which the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are revalued at the rate of exchange ruling at year end. All exchange gains and losses are taken to the statement of fund movements.

h) Cash flow
No statement of cash flow is prepared because, in the opinion of the directors, this would not provide any useful information in addition to that already provided in the statement of fund movements, and statement of assets and liabilities.

i) Taxation
Interest income is recognised gross of tax. The related tax on interest income is charged to the statement of fund movements.

j) Welcome Financial Services Limited
FSCS declared Welcome Financial Services Limited (Welcome) in default on 2 March 2011. Welcome sold a substantial number of Payment Protection Insurance (PPI) and other insurance policies and its restructuring arrangements provided for it to make payments to FSCS to fund compensation costs and the costs associated with handling claims. Payments made by Welcome to FSCS are ring-fenced and will only be used to pay for costs relating to Welcome. Such payments are shown in the statement of financial position of FSCS's statutory financial statements as an asset and in 'Trade and other payables (current liabilities)' since any excess funds will be repaid to Welcome. These funds are released to the Insurance Intermediation class as recoveries to offset any costs relating to Welcome.

k) Accounting judgements and key estimation uncertainties
The Scheme Manager is required to prepare Class Statements. The Class Statements are drawn up in accordance with the accounting policies above. The key areas of judgement and uncertainty in the Class Statements are:

- Outsourced claims handling costs consist of invoices paid during the year and accruals for decisions made not invoiced and the cost of handling claims at various stages of the claims handling process, referred to as work in progress; and
- Compensation costs consist of compensation payments made during the year and accruals for compensation awards not paid.

3 Management expenses

Management expenses charged by FSCS to the Classes include payments made in the year for FSCS's defined benefit pension scheme. Administrative expenses of FSCS's statutory financial statements, however, reflect IAS 19 adjustments, with a charge for the current service cost in the year. This treatment ensures current funding of payments as and when they are made.

As stated above in Note 2(d), management expenses are allocated to classes and FCA and PRA fee blocks under the FCA and the PRA rules.

4 Special resolution regime – Dunfermline Building Society

On 30 March 2009, the Bank of England exercised 'stabilisation powers' under the Banking Act 2009 in respect of Dunfermline Building Society (DBS) through the Dunfermline Building Society Property Transfer Instrument 2009 by which certain property, rights and liabilities of DBS were transferred to the Nationwide Building Society. HM Treasury served notice on FSCS, revised during 2011/12, placing an obligation on FSCS to contribute to the costs of the resolution, and interest, net of recoveries, which will be funded by levies on the Deposits class.

FSCS has previously made payments on account to HM Treasury totalling £500,000,000 which are taken into account in determining the final amount due. On 26 March 2018, HM Treasury wrote to FSCS with a determination of the final balance due, being £21,190,000. FSCS paid this amount on 29 March 2018, thereby discharging in full its liabilities to HM Treasury for the DBS resolution. As at 31 March 2017, FSCS had made a provision of £41,363,000 for future amounts payable for the DBS resolution.

5 Welcome Financial Services Limited

Compensation costs of £2,284,000 (2017: £1,967,000) and management expenses of £452,000 (2017: £412,000) relating to Welcome PPI payments were incurred in the year. In addition, compensation costs of £12,000 (2017: £75,000) and management expenses of £nil (2017: £nil) relating to Welcome non-PPI payments were incurred in the year. This is shown under the Insurance Intermediation class in the statement of fund movements for the year ended 31 March 2018. These amounts have been previously collected from Welcome.

APPENDICES TO THE CLASS STATEMENTS

RECONCILIATION BETWEEN CLASS STATEMENTS AND THE STATUTORY FINANCIAL STATEMENTS

Appendix A: Reconciliation of levy income to the statutory financial statements

In FSCS's statutory financial statements, levies are recognised on an accruals basis, taking into account the costs which have been incurred and any recoveries made. In the Class Statements, levies are recognised on a receipts basis. The table below reconciles the total of all constituent parts of levy income for the year reported in the statement of comprehensive income in the statutory financial statements with total levies received from levy payers as shown in the Class Statements:

Funding class	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
2008/09 banking failures	–	–
Deposits (excluding 2008/09 banking failures)	210,551	359,733
General Insurance Provision	33,863	154,013
General Insurance Intermediation	18,331	7,969
Life and Pensions Intermediation	101,397	103,069
Investment Provision	(926)	7,463
Investment Intermediation	85,348	48,874
Home Finance Intermediation	14,344	21,830
Home Finance Providers – FCA retail pool	52	1,213
Insurers General – FCA retail pool	372	960
Insurers Life – FCA retail pool	790	1,885
Deposit Acceptors – FCA retail pool	209	2,982
	464,331	**709,991**
FCA fee block	12,565	11,089
PRA fee block	12,464	10,973
Total levies received in the Class Statements	**489,360**	**732,053**
Less:		
Exchange (gains)/loss, interest received and tax	(75)	195
Other income	–	–
Movement in class funds during the year (see below)	(24,476)	(11,044,283)
Add:		
Movements in recoveries receivable	118,711	10,932,994
IAS 19 net pension obligation	(5,177)	(1,668)
Total levy income recognised in statutory financial statements	**578,343**	**619,291**

Movement in class funds

The table below provides an analysis of the net change in funds associated with each funding class and fee blocks in the years ended 31 March 2017 and 31 March 2018:

Funding class	Fund balance as at 31 March 2016 £'000	Fund movements during the year £'000	Fund balance as at 31 March 2017 £'000	Fund movements during the year £'000	Fund balance as at 31 March 2018 £'000
2008/09 banking failures	(15,537,857)	11,035,765	(4,502,091)	(113,059)	(4,615,150)
Deposits (excluding 2008/09 banking failures)	(384,162)	48,476	(335,686)	240,369	(95,317)
General Insurance Provision	48,651	(965)	47,686	(12,660)	35,026
General Insurance Intermediation	12,259	(7,268)	4,991	2,980	7,971
Life and Pensions Provision	188	(8)	181	–	181
Life and Pensions Intermediation	38,854	15,176	54,031	(55,270)	(1,239)
Investment Provision	14,221	(6,911)	7,311	(7,015)	295
Investment Intermediation	63,964	(44,041)	19,922	(27,322)	(7,400)
Home Finance Intermediation	972	3,445	4,416	(4,083)	333
	(15,742,910)	**11,043,671**	**(4,699,239)**	**23,939**	**(4,675,299)**
Base costs – FCA fee block	1,187	365	1,552	319	1,871
Base costs – PRA fee block	1,342	247	1,589	218	1,807
	(15,740,381)	**11,044,283**	**(4,696,098)**	**24,476**	**(4,671,620)**

APPENDICES TO THE CLASS STATEMENTS

RECONCILIATION BETWEEN CLASS STATEMENTS AND THE STATUTORY FINANCIAL STATEMENTS

Appendix B: Reconciliation of recoveries income to the statutory financial statements

In FSCS's statutory financial statements, recognition of recoveries income includes recoveries where no notification is received or agreed, when it is probable that future economic benefits will flow to FSCS and their value can be measured reliably (based on the best information available to the directors). Recoveries in the Class Statements are recognised when cash or notification is received and agreed in respect of dividends from insolvency practitioners.

The table below reconciles the recoveries in the statement of comprehensive income in the statutory financial statements with recoveries income in the Class Statements:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Recoveries received recognised in the Class Statements	148,851	11,063,358
Movements in recoveries receivable	(118,711)	(10,932,994)
Recoveries income recognised in statutory financial statements	**30,140**	**130,362**

The movements in recoveries income receivable represents the movement in the estimated amount of recoveries income FSCS expects to receive in the future after taking into consideration the cash distributions received from the estates of firms declared in default and any other relevant information we receive from the administrators of those estates. A detailed breakdown of this can be found on the next page.

The timing and value of recoveries income receivable is estimated based on best information available to the directors at 31 March 2018, including insolvency practitioners' statements of estimated outcome, other reports published as part of insolvency processes and legal advice on potential recoveries through litigation; however, the timing and final outcome are uncertain.

The movements in recoveries income receivable in the statement of financial position is analysed below:

	Receivable at 31 March 2016 £'000	Movements in recoveries receivable £'000	Receivable at 31 March 2017 £'000	Movements in recoveries receivable £'000	Receivable at 31 March 2018 £'000
Current recoveries receivable:					
Other defaults	12,892	112,934	125,826	(121,218)	4,608
2008/09 banking failures	23,757	10,980,583	11,004,340	(6,320,002)	4,684,338
Non-current recoveries receivable:					
Other defaults	58,448	(48,342)	10,106	8,058	18,164
2008/09 banking failures	15,685,649	(10,982,829)	4,702,820	(4,680,890)	21,930
	15,780,746	**62,346**	**15,843,092**	**(11,114,051)**	**4,729,040**
Less: amounts recognised in the Class Statements but not received by the year end date:					
Bradford & Bingley	–	(10,976,636)	–	10,976,636	–
Kaupthing Singer & Friedlander Limited	–	(18,704)	–	18,704	–
	15,780,746	**(10,932,994)**	**15,843,092**	**(118,711)**	**4,729,040**

By phone on:

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