



Axiom Legal Financing Fund – a segregated portfolio of JP SPC 1

Axiom Legal Financing Fund Master SP – a segregated portfolio of JP SPC 4 (both in Receivership)

Annual report to Investors
15 January 2020
Strictly private and confidential



Defined terms

the Additional Receiver	Russell Homer of Chris Johnson Associates Limited	the Funds	collectively the Feeder Fund and the Master Fund
Ashton Fox	Ashton Fox Solicitors Limited (in Liquidation)	Gable	Gable Insurance AG (in Liquidation)
Barnetts	Barnetts Solicitors	Grant Thornton	Grant Thornton Specialist Services (Cayman) Limited and Grant Thornton UK LLP
CFA	Conditional Fee Arrangement	Harneys	Harney Westwood & Riegels
CIMA	Cayman Islands Monetary Authority	Ingrams	Paul Stott and Kellie Noble t/a Ingram Solicitors
the Committee	the Receivership Committee	Investors	registered shareholders and authorised beneficial investors
the Court	The Grand Court of the Cayman Islands	IOM	Isla of Man
CRS	Common Reporting Standards	IVA	Individual Voluntary Arrangement
EFTA	The European Free Trade Association	JPFA or the Administrators	JP Fund Administration (Cayman) Limited
the Feeder Fund	Axiom Legal Financing Fund – a segregated portfolio of JP SPC 1	KLG	K&L Gates LLP
FSCS	Financial Services Compensation Scheme	the Last Report	the JRs' last annual report to Investors dated 15 January 2019

the Master Fund	Axiom Legal Financing Fund Master SP – a segregated portfolio of JP SPC 4	Success	as per the meanings contained within the KLG CFA and the JR's revised remuneration agreement
the Main Proceedings	The UK litigation against Timothy Schools et al, claim number HC13 D02021	Tandem	Tandem XJA Limited - in Liquidation
NAV	Net Asset Value	the 2019 Reports	all the Receivers' reports to CIMA, the Court, the Committee and Investors issued during 2019 and uploaded to the Investor website
PoD	Proof of Debt	TIM	Tangerine Investment Management Limited (in Official Liquidation)
Protocol	the terms of a reporting protocol agreed by the Court on 30 May 2013 (as amended)		
PLFs	Panel Law Firms		
Previous Reports	all the Receivers' previous reports to CIMA, the Court, the Committee and Investors from the commencement of the Receiverships (all of which are available on the Investor website)		
the JRs or the Receivers	the Joint Receivers – John Royle and Hugh Dickson		
RBSI	The Royal Bank of Scotland International		
Receiverships	the Receiverships of the Funds		
Rehab4Life	Rehab4life Limited t/a Lindsays (in Liquidation)		
Rohrer	Rohrer & Co LLP (in Liquidation)		
SFO	Serious Fraud Office		
SRA	Solicitors Regulatory Authority		

Disclaimer

This report is the seventh annual report to Investors, as required by the Protocol. It should be read in conjunction with the 2019 Reports.

The 2019 Reports have previously been uploaded on the Investor website, therefore the Receivers do not propose duplicating the content of Previous Reports here as to do so would duplicate unnecessarily costs already incurred.

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In preparing this report the JRs have relied upon information which they have obtained during the course of their appointment including certain

statutory documentation and other information received from parties in possession of information, documents or records pertaining to the Funds and its affairs or other third parties. The JRs have not performed an audit examination of this information.

Contents

Sections

1. Executive summary
2. Legal proceedings (UK, Cayman Islands and IOM)
3. Assets and liabilities
4. Receivership committee, meetings and Investor reporting
5. Shareholders
6. Financial position
7. Remuneration of the Receivers and expenses of the Receiverships
8. Receivers' next steps

Appendices

- A. Receipts and payments account for the period ending 31 December 2019

Section 1 Executive summary

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Executive summary

Introduction

- This report, together with the 2019 Reports, covers the period from the Last Report to 31 December 2019
- Generally, matters have only been reported on where developments or progress has been made

Legal proceedings

Claims brought in the UK

- The JRs summarise the current state of legal proceedings in the UK
 - the Additional Receiver is continuing to progress the claim against a former UK legal advisor. This claim is being progressed with the benefit of third-party litigation funding
 - the SFO are continuing to investigate the case
- For the avoidance of doubt, the JRs have no insight on the day to day progress of the claim against a former UK legal advisor due to the conflicts previously outlined. However, the JRs do receive regular updates on significant events
- Further details are set out in Section 2 of this report

Claims brought in the Cayman Islands

- There have been a number of Court hearings throughout 2019, seeking sanction of various issues relating to the Receiverships
- The date of the next hearing is likely to be in April/May 2020 as required by the Protocol (unless the Additional Receiver requires sanction for any matter he his handling)
- The liquidation of TIM is on-going

- Given that third party litigation funding for the RBSI claim has not yet been obtained, sanction has been obtained from the Court for the Estates' funds to be used to cover costs up to disclosure

Claims brought in the Isle of Man

- RBSI - an application to strike out brought by RBSI was dismissed by the IOM court on 15 October 2019
- On 6 January 2020 the JRs filed their response to RBSI's Skeleton Argument and Index of Authorities – a hearing will be heard on 12 February 2020 (as RBSI have appealed their strike out dismissal)

Assets and liabilities

PLFs subject to formal insolvency proceedings

- The Mau Mau repatriation claims have proved unsuccessful, as such, no recoveries have been made from the Tandem liquidation (Tandem has been dissolved)
- A table showing the latest anticipated recoveries from the insolvent PLF loan book is provided later within this report
- At a hearing held on 5 November 2018, Ms Noble lost her application to set aside the Master Funds statutory demand.
- Ms Noble has now been declared bankrupt following the Master Fund's bankruptcy petition

Executive summary

Executive summary (continued)

Insurance claims (Gable)

- Gable is in liquidation in Liechtenstein, dividend prospects remain uncertain
- The JRs lodged a claim through the Gable liquidation website and are still awaiting the decision of a general review hearing that took place on 12 December 2018. The continuation of the General Review will be held during the second quarter of 2020

SRA claim

- KLG continue to press the SRA Compensation Fund for a discretionary award and have raised further points justifying the claim, but the SRA has made clear that it will not in any event make an award until all avenues of recovery have been exhausted
- The JRs have therefore invited the SRA to put the claim on hold for the short term, pending completion of the recovery process

UK settlement assets

- The JRs have recovered the net amount of CAD\$1,317,810 from the sales proceeds in respect of the Canadian real estate recovered. This brings an end to this workstream
- It is unlikely a recovery will be made from the French property (in respect of either our equity interest or monetary interest)

Receivership committee, meetings and Investor reporting

- The last Committee meeting was held on 20 September 2019. The next meeting will be held in early March 2020 (unless any urgent issues arise in the intervening period) such as relating to the RBSI litigation
- Meetings of Investors are required annually. No resolutions will be sought at the annual meeting of Investors to be held on 29 January 2020. The meeting will be held by webinar as a more cost efficient alternative to hosting a physical meeting

Shareholders

- The delays in realising assets recovered from the various settlements have continually pushed back the JRs' estimated distribution timeline
- An interim distribution will be considered once we have further clarity on the RBSI claim, as regards disclosure. A reassessment of the merits of the claim and options for obtaining litigation funding will be considered at that time

Financial Position

- The receipts and payments account for the period ending 31 December 2019 is provided at Appendix A.
- Realisations into the Receiverships (from commencement) totalled £20,136,931.84 as at 31 December 2019. After payment of expenses associated with the Receiverships, the sum of £1,687,054.72 was being held at 31 December 2019
- The receipts and payments account is prepared on a cash in/out basis, and doesn't factor in accrued (but unpaid) expenses

Remuneration of the JRs and expenses of the Receiverships

- The JRs' (Cayman Islands staff only) remuneration for the period from commencement of the Receiverships to 31 December 2019 totals US\$8,060,899.50
- This represents 100% of the fees incurred during the period
- To date the sum of GBP equivalent £5,660,942.02 has been drawn on account
- More details are provided in Section 7 of this report as regards to the JRs' remuneration and expenses

Executive summary (continued)

JRs' next steps

- For a non-exhaustive list of the JRs' next steps see Section 8 of this report

Section 2 Legal proceedings (UK, Cayman Islands, IOM)

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)**
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Legal proceedings

UK

Former UK legal adviser claim

- The Additional Receiver is continuing to pursue this claim, with the benefit/aid of third-party litigation funding
- A further update will be provided in consultation with the Additional Receiver in due course – due to the commercially sensitive nature of this litigation, no further information can be provided at present

SFO Investigations

- The Receivers have recently provided (again) a copy of all their reports to Investors and the Committee to the SFO, which indicates the SFO are now investigating the case
- KLG in conjunction with the Receivers are drafting a witness statement to assist the SFO with their investigations against various individuals previously involved with the Funds'

Cayman Islands

Court Hearings

- There have been a number of hearings throughout 2019, predominantly to seek approval of the JRs' remuneration

Next hearing(s)

- The JRs have a duty to apply (pursuant to the Protocol) to Court within 2 months from any Committee meeting held (biannually) to consider the approval of the JRs' remuneration. The next meeting to consider the same will be held on or before 18 March 2020, therefore any application to Court has to be made on or before 18 May 2020

TIM

- The Receivers continue to monitor progress in the claims brought by Steven Goodman (as assigned from TIM) against Dawn Cummings (former director of TIM) and DMS

- It is the Receivers understanding that these claims have been struck out by the Court, and it is now likely no recovery from the TIM estate will be forthcoming. The JRs have written to the TIM JOLs for confirmation as to the dividend prospects to unsecured creditors (The Master Fund submitted a claim for circa £52 million in the TIM liquidation)

Isle of Man

RBSI

- RBSI's strike out application was heard in the IOM court on 19 July 2019
- On 15 October 2019 the IOM court dismissed RBSI's strike out application. Subsequent to the dismissal of RBSI's strike out application, they applied (within the permissible timeframe) to appeal the judgment
- On 13 December 2019, RBSI filed its Skeleton Argument and Index of Authorities as to why in their view the appeal should be permitted
- On 6 January 2020 the JRs filed their response to RBSI's Skeleton Argument and Index of Authorities
- A hearing will be held on 12 February 2020 in the IOM court, to determine whether the appeal should be granted or not
- The claim is potentially worth circa £65 million and represents one of the final options to recover meaningful sums for the benefit of stakeholders

Legal proceedings (continued)

- If RBSI lose the appeal, the JRs will continue to try and compel disclosure from RBSI, at which stage they can consider obtaining litigation funding to fund the litigation. This would then hopefully permit a small interim distribution to Shareholders prior to the conclusion of the RBSI litigation

Section 3 Assets and liabilities

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)
- 03. Assets and liabilities**
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Assets and liabilities

Panel Law Firms

PLFs

- There have been no material developments since the Previous Reports. We summarise below a table of the anticipated and actual recoveries from the PLF portfolio as follows (based on the latest available information)

PLF	Claim £'000's	Estimated future Recovery Range £'000's	Actual recoveries £'000's	Recovery	Total loan book
PLFs subject to insolvency proceedings					
Ashton Fox	63,650	-	-	-	53.0%
Tandem & Signey	18,414	-	-	-	15.3%
Rohrer	14,809	-	1,543	10%	12.3%
Barnetts	8,173	940	41	12%	6.8%
Ingrams	5,160	50 to 300	-	1% to 6%	4.3%
Rehab4Life	5,405	162 to 405	-	3% to 7.5%	4.5%
Total subject to insolvency proceedings	115,611	1,152 to 1,645	1,584	2% to 3%	96.3
PLFs not subject to insolvency proceedings					
x3 subject to settlement/compromise	4,437	-	720	16.22%	3.7%
Total not subject to insolvency	4,437	-	720	16.22%	3.7%
TOTALS	120,048	1,152 to 1,645	2,304	2.88% to 3.29%	100%
Notes					
a) indicative recovery ranges only, not guaranteed recovery levels from the insolvent PLFs (other than Rohrer)					
b) based upon most recent statutory report(s) or communication from office holder(s), as a consequence it: excludes the costs of the relevant insolvent PLF's estate (ie professional fees)					
excludes other unsecured creditors of the insolvent PLF estates					
c) claim and recovery range rounded up to nearest £'000					

PLFs – subject to formal insolvency proceedings

- The JRs continue to maintain working relationships with the office holders of the insolvent PLFs and ensure they remain apprised of the progress and investigations made in the respective UK insolvency processes. It should be noted that the Master Fund ranks as a creditor in these proceedings and must await any dividend if they are declared
- Feedback has been received from both settled PLFs and the acquirers of residual cases from PLF insolvency proceedings. In both cases, the firms dealing with these cases report on-going delays in settling cases and poor case quality. The JRs' concerns in relation to the erosion of value for the estates from this source remain

- The outcome, quantum and timing of any potential dividend to unsecured creditors in respect of some of the insolvent PLFs remains uncertain at this stage

Tandem

- From research at Companies House, the Tandem liquidation has been concluded and the entity dissolved. There was no recovery for the benefit of unsecured creditors in respect of the Tandem liquidation following the loss of the Mau Mau litigation

Rehab4Life

- The latest progress report from the liquidators of Rehab4Life dated 14 March 2019 indicated that it is currently uncertain whether there will be sufficient funds to enable a distribution to unsecured creditors
- Until all outstanding open cases have been closed, amounts collected and reconciled it is not possible to estimate the quantum of any distribution, if at all
- We are informed by the liquidators that given the uncertain nature of the remaining work in progress, it is also not possible to comment on the timescale of any potential distribution
- The liquidation has run since 28 January 2014 and the Liquidators' latest R&P shows a current balance of approx. £162,242.35 but it is unclear what return the Funds may expect at this stage

Ingrams

Kellie Noble

- Ms Noble's appeal application to set aside the Master Fund's statutory demand was refused on 25 March 2019. Ms Noble failed to apply for an oral hearing of her application

Panel Law Firms (continued)

- Ms Noble has now been declared bankrupt following the Master Fund's bankruptcy petition, as a result she will no longer be able to practice as a solicitor
- Representatives from accountancy firm Armstrong Watson have been nominated to act as Joint Trustees in Bankruptcy of Ms Noble's estate
- It's too early to ascertain any recovery prospects from Ms Noble's estate, however, as per Previous Reports the Receivers do not anticipate any return from this source, save that the petition costs incurred by the Receivers are paid first from recoveries (if any recoveries)
- This supports the JRs' decision to attempt to reach settlements where possible to maximise returns for stakeholders

Paul Stott

The Trustee in bankruptcy in respect of the estate of Mr Stott has negotiated various settlements, which should facilitate a reimbursement to the Master Fund of the petition costs paid to make Mr Stott bankrupt

That recovery is in the range of £120-£160k, the Receivers will update the Shareholders in their next report as to the receipt of the same

PLFs – not subject to formal insolvency proceedings

Compromise agreement

- All settlements agreed have been satisfied in full - £720,000 has been received from x3 PLFs
- Despite the Receivers' concerns as regards supporting the low level of returns offered in settlements, it can be seen from the table above, to date, after over 6 years, the percentage of recoveries from these settlements, compared to loan values (16.22%) has significantly exceeded the returns anticipated from the insolvent PLF loan portfolio

Other potential assets

Insurance claims

Gable

- The JRs lodged a claim through the Gable liquidation website and are still awaiting the decision of a general review hearing that took place on 12 December 2018
- On 13 January 2020 the JRs were informed that upon receipt of the EFTA (European Free Trade Association) Court's judgement on procedural issues, the liquidator intends to request the continuation of the General Review Hearing. It should therefore be expected to hold this General Review Hearing during the second quarter of 2020

Request for compensation from the SRA

- KLG continue to press the SRA Compensation Fund for a discretionary award and have raised further points justifying the claim, but the SRA has made clear that it will not in any event make an award until all avenues of recovery have been exhausted, including the claims against Mayer Brown and RBSI
- The JRs have therefore invited the SRA to put the claims on hold for the short term, pending completion of the recovery process

Assets subject to settlement with UK defendants

Canadian property

- The Canadian property sold for the gross amount of CAD\$1.6 million in August 2017
- The JRs have recovered the net amount of CAD\$1,317,810 from the sales proceeds. This brings an end to this workstream

Sundry assets following settlements with Defendants

French Property

Equity interest

- The Master Fund has both an equity (shareholder) stake and monetary entitlement (subject to sale prices/milestones) in respect of a French property

- The Committee may recall the French property being catastrophically damaged in late 2016. The relevant defendant group is working with insurers to ensure the French property is reconstructed
- The equity interest element appears unlikely to yield any recoveries for the Master Fund

Monetary entitlement

- In addition to the minority equity interest, as part of the confidential settlement concerning the French property the JRs also have a monetary entitlement
- The settlement is confidential, however, is intrinsically linked to the final sale price and timing of the sale of the property, which will then determine the potential monetary recovery to the Master Fund (if any)
- The JRs can inform Investors that this settlement has the potential to yield recoveries ranging from **€0 to in excess of €500,000 (if certain time and price parameters are met)**
- Upon reconstruction, the French property can be marketed again for sale, but the JRs would remind the Investors that if the property ultimately sells for under €4.75 million then no monetary proceeds will be recovered from this source
- Until the French property repairs have been completed and it marketed for sale, it is too early to assess whether a recovery from this source will be made

Shares in an unlisted entity

- The JRs would remind Investors that following a confidential settlement with one of the defendant groups to the Main Proceedings, the Master Fund obtained shares in an unlisted entity

Other potential assets (continued)

- Investigations remain on-going in respect of trying to attribute and recover some value for the Investors from this source

Liabilities

- There are no known additional liabilities than those disclosed in previous reports

Section 4 Receivership committee, meetings and Investor reporting

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting**
- 05. Shareholders
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Receivership committee, meetings and Investor reporting

Meetings held and future meetings of the Committee

- Meetings of the Committee pursuant to the Protocol are held on a biannual basis to consider the JRs' remuneration. The last meeting of this nature was held on 20 September 2019; the next will be held on or before 20 March 2020
- *Ad hoc* meetings of the Committee are held when appropriate to discuss any significant issues that require the Committee's views/consultation, for example settlements with PLFs, asset realisations or instigating fresh legal proceedings

Investor reporting/meeting requirements

- The JRs have a duty to provide an annual report to the Investors and to convene an annual general meeting. These obligations typically fall due in January of each year the Funds remain in Receivership
- In addition, the JRs upload copies (redacted where necessary where potentially commercially damaging to the Funds) of reports provided to the Committee for the Investors and their authorised parties onto the investor website

Annual meeting

- The purpose of the annual meeting is to provide Investors of the Funds with an update; no resolutions will be sought
- As per previous meetings, the next annual meeting will be conducted via a live webinar. This meeting method has been approved by the Court (pursuant to the Protocol), and is more cost effective than a physical meeting
- The JRs would ask Investors to send any questions prior to 5pm GMT on 24 January 2020 to axiominvestors@uk.gt.com and will endeavour to answer Investors' questions at the meeting. Investors attending the meeting will not be permitted to speak but will have the opportunity to submit live questions in a forum style environment at the meeting.

The Receivers will then attempt to answer or address any key trending discussion points

- To attend the meeting, Investors and authorised parties will have to submit a valid proxy prior by 5pm GMT on 24 January 2020
- Participants at the meeting will require an internet connection to view the content and video link of the webinar. Audio for the event can be achieved via the webinar itself via a PC or a dial in number. Only the JRs and their legal advisors will speak during the webinar
- Only Investors or authorised parties submitting valid proxies will be given a link to the webinar, which will require those parties to register for the event. The webinar host is able to monitor login details linked to IP addresses and email addresses and will block access to anyone who may have been forwarded the webinar link from another party
- A video and audio recording of the meeting will be uploaded to the Investor website after the meeting and be used as the minutes of the meeting

Section 5 Shareholders

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders**
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Shareholders

Share transfer requests

- Share transfers are permissible. Please contact JPFA regarding the same (at investors@jpfa.ky)

NAV/Estimated outcome

- The last NAVs for the Funds were struck on 30 September 2012; no further NAVs have been struck since that date
- The Funds remain suspended, and based upon current legal advice it is not proposed to revise the suspended NAV. Ultimately a dividend to Investors will if available be declared
- Unless any Investor has been involved in share transfers, the number of shares/units held remain unchanged from the date of suspension of the Feeder Fund
- Given the number of requests from Investors seeking an estimated outcome range, in an effort to conserve costs by mitigating the number of individual Investor responses, the JRs would estimate a return of anywhere between 2p/£ (low side) to 15p/£ (high side)
- There are numerous variables affecting the potential indicative return to Investors. The above is therefore a guideline only and is not a guaranteed return. The estimated return range could fluctuate significantly in either direction

FATCA/CRS Reporting

- The Administrator has been retained to handle all FATCA and CRS requirements in relation to the Funds. All necessary filings have been made

FSCS

- Underlying beneficial shareholders and Investors should consider taking their own legal advice on the matter, but it may be possible for

investors to submit claim for up to £50,000 (or lower if the sum invested was less than this amount) from the FSCS

- A link to the FSCS website is provided below, which sets out the criteria for lodging claims:-
 - <https://www.fscs.org.uk/>
- The Receivers understand that the FSCS have paid out over £4.5 million to claimants. The Receivers are in the process of discussing the treatment of the FSCS's claim within the receivership (as successful claimants assign all rights to any claims to the FSCS upon settlement of a claim)

Timing and quantum of distribution to shareholders

- At this time the JRs remain unable to provide any definitive information as to the timing or quantum of any distribution to Investors
- Distributions are dependent on realisations recovered from the PLFs and other realisations following settlement with defendants to the UK Litigation and other claims being pursued
- An interim dividend will only be declared if and when commercially viable and may in any event will depend upon whether litigation funding can be obtained for the RBSI claim (or following the abandonment of the RBSI claim in the event that, following disclosure, Counsel considers the prospects of success to be poor)
- Prior to any distribution being made, due diligence, know your client and banking information will need to be performed on all registered Investors. Any distribution will be paid to those appearing on the share register of the Feeder Fund

Section 6 Financial position

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands, IOM)
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders
- 06. Financial position**
- 07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps

Update on the Funds' financial position and Receipts and Payments

Receipts and Payments account for the period ending 31 December 2019

- A summary of receipts and payments made in the Receiverships for the period ended 31 December 2019 is attached at Appendix A. A balance of £1,684,101.12 was held as at that date
- The receipts and payments account is prepared on a cash in/out basis, and does not account for accrued but unpaid expenses

Realisations

- Realisations into the receivership estates totalled £20,136,931.84 as at 31 December 2019
- Since the Last Report (receipts and payments up to 31 December 2018), the JRs have recovered CAD\$187,010.89 from the sale of the Canadian property

Costs of the receivership

- Expenses are consistently monitored by the JRs and efforts are made to reduce costs where possible
- As noted in the Previous Reports, the JRs' greatest expenditure remains fees payable in respect of UK solicitors, counsel and Cayman Islands attorneys as well as their own remuneration
- From the commencement of the Receiverships to 31 December 2019, a sum equivalent to £9,781,393.87 has been paid to Counsel, Harneys and KLG in respect of their professional fees and disbursements
- Since the Last Report, payments with an approximate GBP value of £996,381.50 have been expended (being the difference between total payments reported in the Last Report of £17,456,449.22 less total payments as per Appendix A of £18,452,830.72 to date)

- In the main this relates to the JRs' remuneration, UK solicitors' and counsel fees and disbursements, property related expenses (as discussed in the Previous Reports) and Cayman Islands attorney fees
- For the full summary of receipts and payments since the Last Report, please refer to Appendix A
- Appendix A also (for comparison purposes), provides the position as at 31 December 2018 and a variance statement to reflect movements during 2019

Forex

- The functional currency of the Funds is GBP. Realisations/payments have been made in multiple currencies throughout the Receiverships. All figures are converted into GBP as at the date up to which the receipts and payments account is prepared, to give an indicative overall GBP position as required by the Protocol
- Individual receipts and payments accounts are maintained in multiple currencies. All non-GBP currency account items are then reconverted on a memo basis to provide a notional summarised account in one currency (GBP)
- This has the effect of creating theoretical gains/losses based upon the different currency exchange rates at different reporting period end dates
- As one example, the JRs recovered USD\$2,440,936 from the Feeder Fund's previous hedging arrangements. As at 31 December 2019, this had a GBP value of approximately £1,839,784.36 (USD\$1 = £0.75). Whereas, as per the Last Report (31 December 2018) the same USD source realisation had a GBP value of £1,912,928.58 (USD\$1 = £0.78)
- This item alone produces a notional loss of £73,144.22, which merely arises as a consequence of reconvertng the USD transaction to provide the current GBP equivalent value as at 31 December 2019

Section 7 Remuneration of the Receivers and expenses of the Receivership

- 01. Executive summary
- 02. Legal proceedings (UK, Cayman Islands and IOM)
- 03. Assets and liabilities
- 04. Receivership committee, meetings and Investor reporting
- 05. Shareholders
- 06. Financial position
- 07. Remuneration of the Receivers and expenses of the Receiverships**
- 08. Receivers' next steps

Remuneration of the Receivers and expenses of the Receivership

Receivers' remuneration

- Pursuant to Cayman Islands legislation, and in accordance with the Protocol, the Committee is required to review the JRs' remuneration and expenses on a biannual basis. The last remuneration pack was circulated to the Committee on 13 September 2019 for the period 1 February 2019 to 31 July 2019 and the same was approved unanimously by the Committee on 20 September 2019
- 'Remuneration Guidance Notes' are also supplied to the Committee setting out further detail of the fees and expenses incurred during any particular period. The remuneration guidance notes are to provide the Committee with detailed information to enable them to make an informed decision as to the reasonableness of the remuneration sought bearing in mind the size and complexity of the assignment
- Remuneration and fees from commencement of the Receiverships to 31 July 2019 have been approved by the Court (the latest application being dealt with on the papers by the Court on 28 October 2019 approving remuneration for the period 1 February 2019 to 31 July 2019)
- With effect from 1 August 2016, the JRs (as approved by the Committee and Court) entered a revised remuneration agreement. The revised agreement permits the JRs to draw 80% of their time cost incurred on a monthly basis, with the remaining 20% only paid if approved by the Court
- The remuneration of the JRs and their Cayman Islands staff for the period from commencement of the Receiverships to 31 December 2019 totalled US\$8,060,899.50. This represents 100% of the JRs' time costs. An amount equivalent to £5,660,942.02 has been drawn on account to date
- The JRs have produced a graph on the next page which illustrates how fees have fluctuated on a quarterly basis during the period from their appointment to 31 October 2019. The trend line highlights the steady decline in the JRs' remuneration from the commencement of the Receiverships to the last quarter ending 31 October 2019
- The level of fees incurred fluctuates on a monthly basis as a result of specific issues. The average monthly fees for the year ending 31 December 2019 were US\$36,600.25. Whereas, the average monthly fees for the last quarter ending 31 October 2019 were US\$40,944.17
- The JRs' remuneration is reviewed on a biannual basis by the Committee, who represent the general interests of Investors as a whole

Remuneration of the Receivers and expenses of the Receivership (continued)

Summary of remuneration incurred on a quarterly basis from the commencement of the Receiverships to 31 October 2019



Section 8 Receivers' next steps

01. Executive summary
02. Legal proceedings (UK, Cayman Islands and IOM)
03. Assets and liabilities
04. Receivership committee, meetings and Investor reporting
05. Shareholders
06. Financial position
07. Remuneration of the Receivers and expenses of the Receiverships
- 08. Receivers' next steps**

Receivers' next steps

The following matters will be dealt with in the following 12 months (in no particular order)

- 1 Preparation for the next Committee meetings on or before 20 March 2020 and 20 September 2020 (including biannual remuneration guidance notes)
- 2 Realisation of the assets transferred following the settlement with defendants:
 - Progressing matters regarding interest in the unlisted investment fund;
 - Monitoring any progression regarding the reconstruction of the French property;
- 3 Finalising and monitoring any remaining PLF debt recovery settlements
- 4 Application to Court for sanction of the JRs' remuneration for the period 1 August 2019 to 31 January 2020 and 1 February 2020 to 31 July 2020 (in May 2020 and November 2020 respectively)
- 5 Progressing claims against:
 - RBSI;
 - Obtaining regular updates regarding the former UK legal adviser claim from the Additional Receiver; and
 - Monitoring Gable liquidators' decision as regards to the payment of a dividend to unsecured creditors
- 6 Authorising share transfers and ensuring CRS/FATCA reports are submitted
- 7 Monitoring the claim against the SRA and assisting the SFO where required
- 8 Assessing the viability of an interim distribution to Investors
- 9 Collecting all due diligence, know your client and banking details for Investors to enable an interim distribution (may be sub-contracted to

save costs to the estate, and only when an interim distribution is possible)

- 10 Continue to push for conclusion of the Receiverships in the best interests of stakeholders
- 11 Liaising with the FSCS regarding the treatment of their claim within the Receiverships

We hope that this report, when read in conjunction with the Previous Reports provides Investors with a helpful overview of the present position in respect of the Funds.

Yours faithfully
for and on behalf of the Funds



John Royle
Joint Receiver

15 January 2020



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Appendix A - Receipts and Payments account to 31 December 2019

	Feeder Fund GBP	Master Fund GBP	Cumulative as at 31 December 2019 GBP	Cumulative per the Last Report GBP	Movement between the Last Report and 31/12/19
Receipts					
Cash at bank	202,727.63	6,624,419.01	6,827,146.64	6,827,098.54	48.11
Cash from hedging arrangements	1,891,230.91	1,460,998.82	3,352,229.73	3,426,450.95	-74,221.22
Cash from Synergy	0.00	470,866.61	470,866.61	470,866.61	0.00
Return of professional fees	0.00	20,309.75	20,309.75	20,309.75	0.00
Treasury bills gains	0.00	4,459.63	4,459.63	4,459.63	0.00
PLF Settlements- PLF 1	0.00	300,000.00	300,000.00	300,000.00	0.00
PLF Settlements-PLF 2	0.00	220,000.00	220,000.00	220,000.00	0.00
PLF Settlements-PLF 3	0.00	200,000.00	200,000.00	200,000.00	0.00
PLF Settlements- Barnetts Solicitors	0.00	40,865.34	40,865.34	40,865.34	0.00
Insolvent PLF - Rohrer & Co	0.00	1,543,171.23	1,543,171.23	1,543,171.23	0.00
Settlements from UK Defendants	83,662.99	1,663,699.88	1,747,362.87	1,750,689.05	-3,326.19
Tax Refund	12,537.31	0.00	12,537.31	12,383.90	153.41
Llymerye Purchase	0.00	3,000,457.00	3,000,457.00	3,000,457.00	0.00
Canadian Property Purchase	766,281.43	0.00	766,281.43	649,492.18	116,789.25
Swiss property Purchase	0.00	461,170.00	461,170.00	461,170.00	0.00
Transfer from Master GBP*	1,180,115.73	0.00	1,180,115.73	1,180,115.73	0.00
Forex variance**	-11,848.81	0.00	-11,848.81	34,597.92	-46,446.73
Interest received	464.37	1,343.00	1,807.37	1,376.10	431.27
Total Receipts	4,125,171.57	16,011,760.27	20,136,931.84	20,143,503.94	-6,572.10
Payments					
Receivers' fees	2,370,726.26	3,290,215.76	5,660,942.02	5,367,654.81	293,287.20
Receivers' expenses	52,327.30	87,822.99	140,150.29	113,927.32	26,222.97
Associated GT Firm Fees	132,787.12	292,827.48	425,614.60	276,268.01	149,346.60
Associated GT Firm Disbursements/Expenses	0.00	15,926.25	15,926.25	15,926.25	0.00
Other Sundry Disbursements	0.00	4,683.06	4,683.06	4,683.06	0.00
Agents fees - Sale of Llymerye	0.00	108,000.00	108,000.00	108,000.00	0.00
Legal fees - Sale of Llymerye	0.00	80,787.00	80,787.00	80,787.00	0.00
RBSI Security for costs	0.00	45,000.00	45,000.00	45,000.00	0.00
SRA Claim - UK	0.00	164,617.89	164,617.89	163,681.89	936.00
Turnstone - UK	0.00	277,078.37	277,078.37	307,583.15	-30,504.78
Legal Fees - General - UK	0.00	4,352,707.01	4,352,707.01	4,273,531.56	79,175.45
Legal Fees - General - Cayman	752,689.13	991,951.18	1,744,640.31	1,675,285.18	69,355.12
Legal fees - Insurance	0.00	387,492.16	387,492.16	387,492.16	0.00
Legal fees - Counsel	0.00	1,336,552.79	1,336,552.79	1,212,267.79	124,285.00
Legal Fees - Disbursements-UK	0.00	270,578.12	270,578.12	261,493.79	9,084.33
Legal Fees - Disbursements-Cayman	26,498.52	29,686.82	56,185.34	52,871.36	3,313.98
Legal Cost for witness statements	135,669.07	0.00	135,669.07	141,062.86	-5,393.79
Legal Fees - enforcement UK	0.00	341,336.54	341,336.54	331,588.79	9,747.75
Petition costs	104,058.63	0.00	104,058.63	108,195.68	-4,137.05
Professional fees	910.11	68,215.38	69,125.49	63,125.90	5,999.60
Bank charges	9,260.83	26,431.98	35,692.81	31,028.00	4,664.80
Professional fees- Books and Records	0.00	18,654.58	18,654.58	18,654.58	0.00
Professional fees- Doppler Intelligence	0.00	28,800.00	28,800.00	28,800.00	0.00
Property Expenses	80,806.64	9,856.05	90,662.69	93,680.22	-3,017.53
FX hedging fees	15,307.62	34,573.89	49,881.51	49,881.51	0.00
Refund invalid subscription	0.00	25,000.00	25,000.00	25,000.00	0.00
Regulations Fees	57,862.41	60,208.61	118,071.02	96,916.62	21,154.40
Mediator's Fees- UK	0.00	25,600.00	25,600.00	25,600.00	0.00
Disclosure Fees	0.00	416,765.42	416,765.42	409,141.52	7,623.90
Tim Schools investigation	4,312.56	0.00	4,312.56	4,259.79	52.77
Committee's Expenses	0.00	6,189.96	6,189.96	4,626.20	1,563.76
Agents/Valuers Fees	8,366.30	289,376.63	297,742.93	240,281.23	57,461.70
Electricity repair	22,154.69	0.00	22,154.69	22,909.73	-755.05
Property repair	62,298.94	0.00	62,298.94	64,775.76	-2,476.82
Enforcement issues - Disbursements	0.00	27.92	27.92	27.92	0.00
Insurance premium	117,354.50	10,156.33	127,510.83	131,296.71	-3,785.88
Directors' Claims	3,014.88	14,165.31	17,180.19	17,300.05	-119.86
Production Order costs	20,896.32	27,411.43	48,307.75	21,727.09	26,580.66
Redemption claims	0.00	156,716.26	156,716.26	0.00	156,716.26
Transfer to Feeder USD*	0.00	1,180,115.73	1,180,115.73	1,180,115.73	0.00
Total Payments	3,977,301.82	14,475,528.90	18,452,830.72	17,456,449.22	996,381.50
Net position	147,869.75	1,536,231.37	1,684,101.12	2,687,054.72	-1,002,953.60
Represented by:					
USD\$4,662.34 or GBP equivalent of	£3,514.10				
GBP	£6,789.83	£1,536,231.37			
CHF61,580.22 or GBP equivalent of	£47,957.67				
CAD\$153,571.16 or GBP equivalent of	£89,298.65				
AUD\$584.15 or GBP equivalent of	£309.50				
Total	£147,869.75	£1,536,231.37			
<p>* To assist in the cash requirements of the estates in various tranches since the Last Report, US\$1,550,000 has been transferred from the Master Fund's GBP account to the Feeder Fund's USD account (to meet on-going USD commitments). The cost of these various transfers amounted to (in GBP) £1,180,115.73. However, when US\$1,550,000 is converted to GBP at 31 December 2019 it equates to £1,168,266.92. This has the effect of producing a notional loss in the Feeder Fund of £11,848.81. As the Committee may recall, numerous currencies are being held by the Receivers, which are all converted to the functional currency of the Funds (GBP) as at the date of the preparation of each receipts and payments account. This has the result of producing notional gains/losses.</p>					