Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 20 7951 2000
Fax: + 44 20 7951 1345
ey.com

TO ALL MEMBERS

23 December 2019

Ref: ML5W/PJB/SH/SW

Direct line: 020 7951 4182
Sophie Watkins
Email: shawkins@uk.ey.com
Simon Hawkins

Dear Sir or Madam

Jupiter Second Split Trust Plc (In Members' Voluntary Liquidation) ("the Company")

James Eldridge and I were appointed as Joint Liquidators of the Company on 31 October 2014. As previously reported, James Eldridge was replaced as Joint Liquidator by Samantha Jane Keen on 5 August 2015. I now write to provide you with our report on the progress of the liquidation for the period from 31 October 2018 to 30 October 2019.

In accordance with the provisions of the Insolvency (England and Wales) Rules 2016 we are required to provide certain information about the Company and the Liquidators. The information can be found in Appendix A of this report. A copy of our receipts and payments account for the period from 31 October 2018 to 30 October 2019 is at Appendix B.

Background to the Winding-up of the Company

The directors of the Company recommended a scheme for the reorganisation and voluntary winding-up of the Company ("the Scheme"). Details of the Scheme were sent in the form of a Circular and these were sent to all Shareholders of the Company on 4 September 2014.

Under the Proposals, Geared Ordinary Shareholders were to receive their full entitlement under the Articles upon a winding-up in cash whilst Zero Dividend Preference Shareholders were able to elect to receive their Final Capital Entitlement upon the winding-up of the Company either in cash or to roll over some or all of their investment into the Jupiter Strategic Reserve Fund.

The Scheme was approved by shareholders on 30 September 2014, and subsequently the Company was placed into members' voluntary liquidation on 31 October 2014.

Distributions to date

First distribution

In the first week after their appointment, the Joint Liquidators made an interim distribution to Geared Ordinary Shareholders of 24.94 pence per share and a final distribution to Zero Dividend Preference Shareholders of 40.50 pence per share.

Total cash distributions as described above equated to:

Geared Ordinary Shareholders	£52,215,907

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

Zero Dividend Preference Shareholders	£138,366,098
Packaged Unit Holders	£2,845,060

£5,228,789 was also transferred to Jupiter Strategic Reserve Fund on behalf of shareholders who elected to receive shares in place of shares in the Company.

Second distribution

On 4 April 2016, the Joint Liquidators paid a second distribution of 0.463 pence per Geared Ordinary Share to Geared Ordinary Shareholders and Packaged Unit Holders (in respect of their Geared Ordinary Shares).

Total cash distributions as described above equated to:

Geared Ordinary Shareholders	£975,326
Packaged Unit Holders	£26,429

Progress during the period of the report

Receipts

There were no receipts during the period.

Payments

Liquidators' fees

During the period, Joint Liquidators' fees of £17,786 were drawn for outstanding time costs for the period to 11 June 2018. No further fees have been drawn by the liquidators. At Appendix E to this report there is an analysis of the time spent in the period and a statement of our policy in relation to charging time is set out in Appendix D.

Registrar fees

The Company incurred registrar fees of £3,994 in relation to the continued maintenance of the shareholder register.

Irrecoverable VAT

During the period, irrecoverable VAT of £4,086 was paid on invoices settled by the Joint Liquidators. The Company has a partial VAT recovery rate of 20%.

Bank Charges

Bank charges of £2 were incurred during the period.

Building a better working world

Claims

As set out in the recommended scheme for the reorganisation and voluntary winding-up of the Company ("the Proposals"), and referred to in previous progress reports, the Company had certain outstanding protective claims against HM Revenue & Customs ("HMRC") in relation to VAT levied on management fees, compound interest on VAT and the taxation of EU sourced dividends. The first two of these claims were found in favour of HMRC in the courts and therefore, no further recoveries are anticipated in respect of these claims.

Taxation of overseas sourced dividends in light of case law developments in the Franked Investment Income GLO "*FII GLO*" and CFC & Dividend GLO "*Prudential*" – estimated maximum recovery £154k plus interest

The position following the conclusion of the two strands of litigation considering the UK's historical tax treatment of overseas sourced dividends is that overseas sourced dividends arising from portfolio investments received prior to 1 July 2009 are considered taxable. However, a credit should be given against that tax at the foreign nominal corporate income tax rate of the source jurisdiction in addition to a credit in relation to the withholding tax suffered in the source jurisdiction, after treaty relief as applicable.

In 2012, Jupiter resubmitted 2008 and 2009 tax computations and these were prepared on the basis that overseas dividends were *exempt* for UK tax purposes. On this basis, it was estimated that a tax overpayment of £288k had been made. As stated in my last report, in 2018, following HM Revenue and Customs ("HMRC") appeal in *Prudential* to the Supreme Court ("the Court"), the Court found the case in favour of the taxpayer. However, as set out above, the remedy identified was to provide credit relief to taxpayers in respect of overseas dividends (rather than simply treating these dividends as exempt for UK tax purposes). Initial analysis undertaken by our tax advisers indicated that the Company's revised claim against HMRC for overpaid tax would be c.£154k plus simple interest.

Our tax advisers initially indicated that in order to apply the findings of *Prudential*, the Company could refile amended corporation tax computations for periods prior to July 2009 on the basis that overseas dividends should have attracted credit relief. However, whilst the methodology for valuing claims was determined by the courts over a year ago, HMRC have yet to provide any detailed published guidance regarding how *Prudential* could be practically implemented and the monies returned to taxpayers, including the Company. Our tax advisers have further advised that HMRC have not been accepting revised corporation tax computations on behalf of other entities (like the Company) that had not filed High Court claims and formally joined the group litigation in the *Prudential* case. This has stopped us being able to reclaim monies owed to the Company.

There is also now some uncertainty whether taxpayers who had not filed High Court claims will be able to make or maintain claims against HMRC unless certain legal steps have been commenced. Our tax advisers have estimated that the legal costs associated with taking these steps would be approximately £60,000, including Counsel's fees. In addition, the Company would also be at risk of having to make payment of HMRC's legal costs if the claim were refused or subsequently withdrawn.

In view of the fact that these costs would be payable out of any recovery, and the risk of outstanding costs, the liquidators do not consider that they could commence any legal action, as it would appear not to be economic to do so.

Outstanding matters and future dividend prospects

As set out in the Proposals, the Joint Liquidators were to engage with representative Geared Ordinary Shareholders in order to establish their views on the merits of keeping the Company's liquidation open in

order to pursue the tax claims with the attendant costs of doing so, relative to an early closure of the liquidation which would keep liquidation costs to a minimum, but forfeit the prospect of any recovery of incorrectly paid tax. Similar to previous years, we have again engaged with representative Geared Ordinary Shareholders, who have unanimously confirmed that they would like the liquidation to be concluded as soon as possible, thus forfeiting the prospect of reclaiming incorrectly paid tax.

In accordance with the views of the largest shareholders, we will now proceed to conclude the liquidation of the Company as soon as possible. Prior to concluding the liquidation, we will be instructing our tax advisers to file the Company's final post liquidation tax return and request clearance from HMRC to conclude the liquidation.

As previously advised, any final dividend to Geared Ordinary Shareholders was dependent upon the successful recovery of monies from HMRC in respect of the Company's tax claims. As the liquidators will no longer be pursuing these claims, there will be no further dividends to Geared Ordinary Shareholders.

Once clearance to conclude the liquidation from HMRC has been obtained, the funds that remain within the Company's liquidation bank account will be used to settle registrar costs and expenses associated with our ongoing shareholder reporting duties. If there are any residual funds thereafter, these will be used to partially settle outstanding liquidators' costs.

Joint Liquidators' remuneration

Our remuneration was fixed on a time-cost basis by a resolution of the members on 31 October 2014.

During the period covered by this report, we have incurred time costs of £51,044.90. The liquidators were paid during the period of this report £17,786 in respect of outstanding time costs for the period to 11 June 2018. No further fees have been paid to the Liquidators.

At Appendices D and E to this report there is an analysis of the time spent and a statement of our policy in relation to charging time.

Joint Liquidators' statement of expenses incurred

Total expenses incurred to 30 October 2018 total £1,893.92. Of these expenses, £1,579.01 has been drawn by the Liquidators. Expenses of £314.91 relating to the change of Joint Liquidator will not be charged.

The expenses can be summarised as follows:

Type of expense	Incurred	Paid	Outstanding
Statutory advertising	£263.61	£263.61	-
Ground transport	£35.40	£35.40	-
Statutory bonding	£1,280	£1,280	-
Court application for the change of liquidator	£314.91	-	£314.91
Total	£1,893.92	£1,579.01	£314.91

Building a better working world

Members' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, members are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix C.

Other matters

I will provide my next report to shareholders either when I am in a position to conclude the liquidation or 12 months' time, whichever is sooner.

In the meantime, should you have any further questions please do not hesitate to contact my colleague, Sophie Watkins, on the direct line above.

Yours faithfully
for the Company

P. Brazzill

Patrick Brazzill
Joint Liquidator

Samantha Jane Keen and Patrick Joseph Brazzill are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Jupiter Second Split Trust Plc (In Members' Voluntary Liquidation) ("the Company")

Information about the Company and the Joint Liquidators

Registered office address of the company:	1 More London Place, London, SE1 2AF
Registered number:	05207714
Full names of the Joint Liquidators:	Patrick Joseph Brazzill and Samantha Jane Keen
Joint Liquidators' address:	Ernst & Young LLP 1 More London Place, London, SE1 2AF
Telephone number through which the Joint Liquidators can be contacted	020 7951 4182
Date of appointment of the Joint Liquidators:	31 October 2014
Details of any changes of Joint Liquidator:	James Eldridge was replaced by Samantha Jane Keen on 5 August 2015

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

Jupiter Second Split Trust Plc (In Members' Voluntary Liquidation) ("the Company")

Joint Liquidators' receipts and payments account for the period from 31 October 2018 to 30 October 2019

Declaration of Solvency Estimated to Realise Values (£)		31 October 2014 to 30 October 2018 (£)	31 October 2018 to 30 October 2019 (£)	Total (£)
	RECEIPTS			
92,450,000	Cash taken over upon appointment	193,885,456	-	193,885,456
141,647,000	Sale of Investment	967,036	-	967,036
	Dividends Received	32,793	-	32,793
618,000	Closure of foreign exchange deal	27,091	-	27,091
3,686,000	Debtors	86	-	86
	Management fee refund	10,727	-	10,727
	Pre Liquidation VAT Refund	4,255	-	4,255
	Bank interest	855	-	855
	Cost Contribution	44,746	-	44,746
	Corporation Tax	85,205	-	85,205
	Withholding Tax Refund	9,697	-	9,697
		195,067,947	**-**	**195,067,947**
	PAYMENTS			
	Distribution to Geared Ordinary shareholders	53,191,233	-	53,191,233
	Distribution to Packaged unit shareholders	2,871,489	-	2,871,489
	Distribution to Zero Dividend Preference shareholders	138,366,098	-	138,366,098
1,524,000	Open derivative contracts	-	-	-
	EY Tax fees	45,377	-	45,377
	Directors' fees	7,000	-	7,000
	Custody fees	2,167	-	2,167
	Professional fees	62,328		62,328
	EY Professional fees - pre liquidation work and advice	71,256	-	71,256
	Registrar fees	91,260	3,994	95,523
	Liquidators' fees	234,322	17,786	252,108
	Liquidators' expenses	1,579	-	1,579
	Irrecoverable VAT	71,450	4,086	75,536
	RNS News & Forms	115	-	115
	Bank charges	361	2	363
	Corporation tax	853	-	853
	VAT	3,986	(752)	3,234
		195,020,874	**25,116**	**195,045,990**
	Balance in hand	**47,073**	**(25,116)**	**21,957**

Notes

1. Receipts and payments are stated net of VAT.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

Members' rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016 (as amended)

18.9 Creditors' and members' request for further information

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14—

(a) a secured creditor;

(b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);

(c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;

(d) any unsecured creditor with the permission of the court; or

(e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

(a) providing all of the information requested;

(b) providing some of the information requested; or

(c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

(a) the time or cost of preparation of the information would be excessive; or

(b) disclosure of the information would be prejudicial to the conduct of the proceedings;

(c) disclosure of the information might reasonably be expected to lead to violence against any person; or

(d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

(a) the office-holder giving reasons for not providing all of the information requested; or

(b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

18.34 Members' claim that remuneration is excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

(a)the remuneration charged by the office-holder is in all the circumstances excessive;

(b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or

(c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

(a) a secured creditor,

(b) an unsecured creditor with either—

(i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or

(ii) the permission of the court, or

(c) in a members' voluntary winding up—

(i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Rules 18.9 and 18.34 are reproduced from the Insolvency (England and Wales) Rules 2016, as amended by the Insolvency (England and Wales) (Amendment) Rules 2017, under the terms of Crown Copyright Guidance issued by HMSO

Jupiter Second Split Trust Plc (In Members' Voluntary Liquidation) ("the Company")

Joint Liquidators' time costs for the period from 31 October 2018 to 30 October 2019

Joint Liquidators' charging policy for remuneration

The members have determined that the Joint Liquidators' remuneration should be fixed on the basis of time properly spent by the Liquidators and their staff in attending to matters arising in the liquidation.

The Joint Liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Time is charged in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

Hourly Rates

	From 1 July 2014	From 1 July 2015	From 1 July 2016	From 1 July 2017
Grade	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)
Partner	895	940	985	1035
Executive Director	855	900	945	990
Director	730	765	805	845
Assistant Director	625	655	670	705
Senior Executive	460	485	510	535
Executive	340	355	375	395
Assistant Executive	310	325	340	355
Business Trainee	190	200	210	220
Accounting & Treasury Executive	245	255	270	285

	From 17 March 2018	From 1 November 2018	From 1 July 2019
Grade	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)
Partner	1085	1140	1195
Associate Partner	1040	1090	1145
Director	885	930	975
Assistant Director	740	775	815
Senior Executive	560	590	620
Executive	415	435	455
Assistant Executive	375	395	415
Business Trainee	230	240	250
Accounting & Treasury Executive	300	315	330

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

Appendix D

Jupiter Second Split Trust Plc (In Liquidation)
SIP9 Analysis for the period 31 October 2018 to 30 October 2019

	Hours				Total Hours	Total Sum of Average Hourly rate (£)	Total Costs (£)
Classification of work function	**Partner / Director**	**Manager**	**Other Senior Professionals**	**Assistants & Support**			
Bank & Statutory Reporting	0.4	0	0	0	0.4	1,090.00	436.00
Members	0.4	8.8	57.6	0	66.8	468.65	31,305.50
VAT & Taxation	1.7	1.8	11.1	0	14.6	542.88	7,926.00
Accounting and Administration	0.1	1.7	22.1	1.4	25.3	422.90	10,699.40
Creditors	0	0	1.6	0	1.6	423.75	678.00
Grand Total	2.6	12.3	92.4	1.4	108.7	469.59	51,044.90

Values	**Partner / Director**	**Manager**	**Other Senior Professionals**	**Assistants & Support**	**Grand Total**
Average Hourly rate	1,090.19	735.65	420.28	234.21	469.59
Time costs for reporting period	2,834.50	9,048.50	38,834.00	327.90	51,044.90

Appendix E

Jupiter Second Split Trust Plc (In Liquidation)
Time costs analysis for the period 31 October 2014 to 30 October 2019

	Hours				Total Hours	Total Sum of Average Hourly rate (£)	Total Costs (£)
Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support			
Bank & Statutory Reporting	4.1	0.4	1.2	0	5.7	797.02	4,543.00
Immediate Tasks	1.5	9.7	0	7.8	19	464.58	8,827.00
Members	7.4	122.2	113.2	76.9	319.7	470.23	150,334.00
Legal Issues	1.3	0	0	0	1.3	945.00	1,228.50
Statutory Duties	0.2	7.2	3.7	1.1	12.2	528.24	6,444.50
VAT & Taxation	4.9	39.2	38.1	10.2	92.4	510.79	47,197.00
Accounting and Administration	5.7	33.8	151.5	117.9	308.9	349.68	108,015.56
Creditors	3	0	2.2	11.4	16.6	361.81	6,006.00
Out of scope (Not chargeable)	0	0.7	6.9	2.5	10.1	376.88	3,806.50
Other Assets (Mandatory)	1.3	6.8	0	0.8	8.9	628.31	5,592.00
Grand Total	29.4	220	316.8	228.6	794.8	430.29	341,994.06

Values	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Grand Total
Average Hourly rate	919.88	657.99	378.53	219.91	430.29
Time costs for reporting period	27,044.50	144,758.50	119,918.91	50,272.15	341,994.06

	From 1 July 2014	From 1 July 2015	From 1 July 2016	From 1 July 2017	From 17 March 2018	From 1 November 2018	From 1 July 2019
Grade	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)
Partner	895	940	985	1035	1085	1140	1195
Executive Director / Associate Partner	855	900	945	990	1040	1090	1145
Director	730	765	805	845	885	930	975
Assistant Director	625	655	670	705	740	775	815
Senior Executive	460	485	510	535	560	590	620
Executive	340	355	375	395	415	435	455
Assistant Executive	310	325	340	355	375	395	415
Business Trainee	190	200	210	220	230	240	250
Accounting & Treasury Executive	245	255	270	285	300	315	330

Jupiter Second Split Trust Plc (In Members' Voluntary Liquidation) ("the Company")

James Eldridge and I were appointed as Joint Liquidators of the Company on 31 October 2014. As previously reported, James Eldridge was replaced as Joint Liquidator by Samantha Jane Keen on 5 August 2015.

The directors of the Company recommended a scheme for the reorganisation and voluntary winding-up of the Company ("the Scheme"). Details of the Scheme were sent in the form of a Circular and these were sent to all Shareholders of the Company on 4 September 2014.

Frequently asked questions

1. ***Why was the liquidation kept open?***

As referred to on page 8 of the Circular, the Company had certain outstanding protective claims against HM Revenue and Customs ("HMRC") in relation to the taxation of EU sourced dividends, compound interest on VAT previously levied on management fees and other matters relating to its tax affairs and it was estimated that these claims were likely to take a number of years to conclude in the courts. Each year, the Joint Liquidators engaged with representative Geared Ordinary Shareholders following the winding up of the Company in order to assess the merits of keeping the Company's liquidation open in order to pursue those claims (with the attendant costs of doing so) relative to an early closure of the liquidation (which would keep liquidation costs to a minimum, but forfeit the prospect of any recovery of incorrectly paid tax). Litigation associated with compound interest on VAT previously levied on management fees was found in favour of HMRC in court. However, it was anticipated that further recoveries would be received in respect of taxation of EU sourced dividends. Following HMRC's appeal to the Supreme Court ("the Court") in 2018, the Court found the case in favour of the taxpayer. The liquidation was, therefore, kept open, in agreement with representative Geared Ordinary Shareholders, in order to pursue the Company's claim in respect of this litigation.

Following discussions with representative Geared Ordinary Shareholders regarding the progress of this case over the past 12 months, it has been agreed that the Joint Liquidators should now proceed to conclude the liquidation as soon as possible, forfeiting the prospect of recovery of incorrectly paid tax.

2. ***Will there be any further distributions?***

No, there will be no further distributions.

3. ***Why has the Company been unable to recover monies associated with incorrectly paid tax?***

As you are aware, in 2018, following HMRC's appeal to the Court, the Court found the case in favour of the taxpayer. Whilst the methodology for valuing claims was determined by the courts over a year ago, HMRC have yet to provide any detailed published guidance regarding how the court hearing could be practically implemented and the monies returned to taxpayers, including the Company. Our tax advisers have further advised that HMRC have not been accepting revised corporation tax computations on behalf of other entities (like the Company) that had not filed High Court claims and formally joined the group litigation in the *Prudential* case. The Company was not part of the original action against HMRC and the future potential costs associated with pursuing this recovery make it uneconomic for the Company to now seek to reclaim monies owed to JSST in respect of the incorrectly paid tax.

4. ***How will the Company's remaining cash be used?***

As previously mentioned, the Company's remaining funds will primarily be used to settle registrars' fees and expenses associated with ongoing shareholder reporting requirements. If there are any funds after settling these costs, then these will be used to partially settle outstanding Liquidators' fees.

5. ***Will there be any further updates from the Joint Liquidators?***

Yes, the Joint Liquidators will now apply to HMRC for clearance to conclude the liquidation. As soon as this is received, the Joint Liquidators will send their draft final account, followed by their final account to the shareholders of the Company. Following this, the Joint Liquidators final account will be filed with Companies House and the liquidation concluded, with the Company being dissolved approximately 3 months thereafter.