

TO ALL MEMBERS

17 December 2020

Ref: JSST/PB/SH/JP

Contact: Jack Park
Direct Line: +44 20 7783 0293

Email: Shawkins@parthenon.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 2019 to 30 October 2020.

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 2019 to 30 October 2020 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
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

Withholding tax refund

During the period, £11,733 of Norwegian withholding tax previously paid was recovered by the Joint Liquidators. No further withholding tax reclaims are anticipated.

Payments

Registrar fees

The Company incurred registrar fees of £5,462 in relation to the continued maintenance of the shareholder register.

Irrecoverable VAT

During the period, irrecoverable VAT of £876 was paid on invoices settled by the Joint Liquidators. The Company has a partial VAT recovery rate of 20%.

Bank Charges

Bank charges of £1 were incurred during the period.

Outstanding matters and future dividend prospects

As noted in progress reports of 2016, 2017 and 2018, the liquidation of the Company had remained open in order to pursue certain tax claims relating to the UK's historical tax treatment of overseas sourced dividends.

However, within our most recent progress report dated 23 December 2019, it was confirmed that following consultation with representative Geared Ordinary Shareholders, it did not appear economic for the liquidators to continue to pursue these claims. It was, therefore, agreed that the liquidation would be concluded, thus forfeiting the prospect of reclaiming incorrectly paid tax and the liquidators commenced steps to conclude the liquidation.

After issuing our progress report to members in 2019, HMRC wrote to the liquidators to advise that there were open enquiries in relation to the taxation of overseas dividends which are affected by the outcome of the FII GLO and CFC & Dividend GLO case. After consulting our tax advisers regarding the contents of this letter, the liquidators considered that there was a possibility of tax being refunded to the Company. It was, therefore, deemed appropriate to pause steps to conclude the liquidation and request that HMRC refund monies to the Company.

A claim was submitted to HMRC for validation, and following discussions with HMRC over the past few months, it has recently been agreed that the Company was due a refund of £142,080. The refund was paid to the Company on 14 December 2020 and is, therefore, not shown within our receipts and payments account for the period covered by this report.

We are in the process of filing the Company's final post liquidation tax return and once filed, we will request clearance from HMRC to conclude the liquidation. Once clearance to conclude the liquidation has been obtained from HMRC and all remaining third-party costs have been settled, we will be in a position to make a final distribution to Geared Ordinary Shareholders and Packaged Unit Holders, and conclude the liquidation of the Company.

We currently estimate that the final distribution will be paid to Geared Ordinary Shareholders and Packaged Unit holders in Q1 2021 and will represent a return of approximately 0.05 pence per Geared Ordinary Share. Please note this is an indicative estimate and the timing of the final distribution is dependent upon the tax clearance being provided by HMRC.

Please note that should any such amount otherwise payable to a Geared Ordinary Shareholder or Packaged Unit Holder be less than £5.00, it will not be paid to such Shareholder but will be instead transferred by the Joint Liquidators to Charity, as set out in the Circular sent on 4 September 2014.

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 £101,643. No fees were drawn by the Joint Liquidators for their time costs during the period.

At Appendices D 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 2020 total £3,997.38. Of these expenses, £1,579.01 has been drawn by the Liquidators during previous periods. Expenses of £314.91 relating to the change of Joint Liquidator will not be charged and expenses for printing and postage totalling £2,103.46 will be settled within the Joint Liquidators final invoice.

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
Postage and Printing	£2,103.46	-	£2,103.46
Total	£3,997.38	£1,579.01	£2,418.37

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, Jack Park, on the direct line above.

Yours faithfully
for the Company

A handwritten signature in black ink that reads 'P. Brazzill'. The signature is written in a cursive style with a large, prominent 'P'.

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

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

Appendix B

Joint Liquidators' receipts and payments account for the period from 31 October 2019 to 30 October 2020

Declaration of Solvency Estimated to Realise Values (£)		31 October 2014 to 30 October 2019 (£)	31 October 2019 to 30 October 2020 (£)	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	11,733	21,430
		195,067,947	11,733	195,079,680
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	95,253	5,462	100,715
	Liquidators' fees	252,108	-	252,108
	Liquidators' expenses	1,579	-	1,579
	Irrecoverable VAT	75,536	876	76,412
	RNS News & Forms	115	-	115
	Bank charges	363	1	364
	Corporation tax	853	-	853
	VAT	3,234	216	3,450
		195,045,989	6,555	195,052,544
	Balance in hand	21,958	5,178	27,136

Notes: 1. Receipts and payments are stated net of VAT

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.
- (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 2019 to 30 October 2020

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.

SIP 9 analysis for the period 31 October 2019 to 30 October 2020

Appendix D

	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total Hours	Total Cost £	Average Rate £
Administration & Planning	0.4	12.5	9.2	4.0	26.1	11,901.0	456.0
Creditors	-	6.1	0.9	1.3	8.3	4,398.0	529.9
Members	0.6	41.2	87.7	2.6	132.1	50,005.5	378.5
Out of Scope	-	3.6	-	-	3.6	2,232.0	620.0
Statutory Duties	1.0	5.8	-	4.2	11.0	5,980.0	543.6
VAT & Taxation	5.6	25.1	13.0	6.4	50.1	27,126.0	541.4
Total Hours	7.6	94.3	110.8	18.5	231.2		
Total Costs (£)	8,782.0	58,535.0	28,842.5	5,483.0		101,642.5	
Average Rate (£)	1,155.5	620.7	260.3	294.4			439.6

Notes : 1. All time relating to Out of Scope activities is not chargeable

SIP 9 analysis for the period 31 October 2014 to 30 October 2020

	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total Hours	Total Cost £	Average Rate £
Administration & Planning	6.1	46.3	160.7	121.9	335.0	£119,916.6	358.0
Bank & Statutory Reporting	4.1	0.4	1.2	-	5.7	£4,543.0	797.0
Creditors	3.0	6.1	3.1	12.7	24.9	£10,404.0	417.8
Immediate Tasks	1.5	9.7	-	7.8	19.0	£8,827.0	464.6
Legal Issues	1.3	-	-	-	1.3	£1,228.5	945.0
Members	8.0	163.4	200.9	79.5	451.8	£200,339.5	443.4
Other Assets	1.3	6.8	-	0.8	8.9	£5,592.0	628.3
Out of Scope	-	4.3	6.9	2.5	13.7	£6,038.5	440.8
Statutory Duties	1.2	13.0	3.7	5.3	23.2	£12,424.5	535.5
VAT & Taxation	10.0	64.3	51.1	16.6	142.0	£74,323.0	523.4
Total Hours	36.5	314.3	427.6	247.1	1,025.5		
Total Costs (£)	35,826.5	203,293.5	148,761.4	55,755.2		443,636.6	
Average Rate (£)	981.5	646.8	347.9	225.6			432.6

Notes : 1. All time relating to Out of Scope activities is not chargeable

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	From 1 July 2020
Grade	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)	Charge out rate per hour (£)
Partner	1085	1140	1195	1255
Associate Partner	1040	1090	1145	1200
Director	885	930	975	1025
Assistant Director	740	775	815	855
Senior Executive	560	590	620	650
Executive	415	435	455	480
Assistant Executive	375	395	415	435
Business Trainee	230	240	250	265
Accounting & Treasury Executive	300	315	330	345