SPL Guernsey ICC Limited
Chairman's Statement
For the year ended 31 March 2024

As in prior years, the board provides one report as an overview of the affairs of SPL Guernsey ICC Limited and its incorporated Cells (the "ICC") as a whole.

The year developed much as we had anticipated twelve months ago.

To recap, we are down to a very small number of investment assets and legal claims where we believe there is still meaningful value to recover for investors either in excess of current prices (in the case of investments) or in excess of the costs of pursuit (in the case of legal claims). We also have to carry a prudent liquidity buffer to sustain our ability to prosecute those recoveries.

Litigation and Asset Recovery

Our opponents in Greece have been very adept over the years at obfuscation, diversion and delay but we are, as rapidly as the legal systems of the countries concerned allow, slowly closing in on them. Clearly, one of their strategic objectives is to keep drawing matters out in the expectation that at some stage we shall cease pursuing them. On the other hand, the Koros family clearly direct substantial commercial operations, revitalised in recent times with significant naval shipbuilding contracts. We have made progress in demolishing some of these diversionary obstacles and we look forward to our claims moving forward. We should not expect that these will resolve soon: last year we foreshadowed that court dates extended out into 2024 and some now extend into 2025.

Dubai is more opaque with a curious interplay of bureaucratic intervention and an evolving legal system which makes outcomes hard to anticipate.

In both jurisdictions, we remain focussed on the prospect of net recovery in excess of the expenditure of additional funds and we continually re-assess the position with our professional advisers.

Investment assets

On the investment side, our largest exposure remains JPEL where there was some positive development during the year. In November, JPEL compulsorily redeemed 14.7% of its shares then in issue at US$1.61 being the full 30 September NAV per share. The gain on this tranche versus the 31 March 2023 share price of US$1.04 substantially off-set the share price decline of 17.3% over the year on the residual holding such that the total return on the overall position for the twelve months was minus 6.65%. There was some ephemeral prospect of a more comprehensive solution later in the year when a corporate proposal was made which would have monetised a very substantial portion of the remaining NAV. While we supported the proposal, other large shareholders whose objectives may not be entirely aligned with ours did not and so it did not materialise. JPEL has been winding itself down for several years and is now at the stage where its portfolio of residual investments is increasingly concentrated. The largest remaining holding in JPEL – a tax advisory business - represented 41.3% of NAV as at 31 March 2024 and the largest two plus net cash were over 66% of NAV in aggregate. The disposal of these two holdings at their current carrying values (or better) would imply nearly as much (or possibly more) cash available for shareholders as the entire current market capitalisation of JPEL. With the prospect of falling US interest rates, we expect that the environment for the disposal of private equity holdings should improve.

We took the opportunity to receive a cash exit from Climate Change Capital rather than roll into a continuation vehicle. The extended timetable for this process eventually completed in April 2024 and so this will be recognised as a 2024-25 transaction.

We have a small number of other investments where there are real prospects of some further recoveries in due course. However, the contingencies and timescales involved are such that we continue to recognise such receipts as and when they happen and we value the current holdings at nil.

The portfolio at 31 March 2024, compared to 31 March 2023, comprised:

	2024	*2023*
	£m	*£m*
Cash and cash equivalents	6.6	6.8
Listed private equity	1.2	1.7
Unlisted funds	0.4	0.2
Other net assets	0.1	0.2
Net assets	8.3	8.9

The principal portfolio movements and costs over the year were:

		£m
Net assets at 31 March 2023		8.9
Changes in investment values:	- London Stock Market quoted investment (JPEL)	(0.1)
	- Net gains on other investments	0.5
Costs:	- Litigation costs in UK, Guernsey, Dubai and Greece, net of insurance recovery	(0.4)
	- Litigation costs allocated to Symphony Towers loans and subsequently impaired in full	(0.1)
	- Other operating expenses	(0.5)
Accounting loss for the year		(0.6)
Net assets at 31 March 2024		8.3

Distribution by SPL Parallel Private Equity (PE2) IC Limited ("PE2")
We received US$478,000 in late November 2023 via the JPEL compulsory redemption referred to above. After conversion to Sterling, this became £198,000 attributable to PE2 and £190,000 to SPL Realisation IC Limited ("SPLR"). After considering the relative cash needs of the two funds, we were able to make a total capital distribution to PE2 shareholders by means of a partial redemption of £247,000 which was paid in April 2024, shortly after the end of our financial year. In respect of SPLR and its ongoing litigation needs, the directors considered it prudent to retain the amount in reserve for the time being and so did not make a distribution to SPLR shareholders.

Outlook
We are now closer to the endgame but we remain in a stage where progress is determined by the court processes, particularly in Greece and Dubai, by the pace of realisations by JPEL, and the asset disposal and recovery processes within the other funds we hold.

William Scott
Chairman
3 July 2024