CLC (Issuer) Designated Activity Company

Annual report and audited financial statements

For the financial year ended 31 December 2019

Registered number 588546

CLC (Issuer) Designated Activity Company

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General Information

Directors	Sean O'Sullivan Jonathan Reynolds (appointed 18 February 2020) Ronan Carroll (appointed 29 July 2019, resigned 18 February 2020) Gareth Rowe (resigned 29 July 2019)
Corporate Administrator	Maples Fiduciary Services (Ireland) Limited 32 Molesworth Street Dublin 2 Ireland
Secretary	MFD Secretaries Limited 32 Molesworth Street Dublin 2 Ireland
Independent Auditor	KPMG (appointed 14 February 2020) Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place IFSC Dublin 1 Ireland
	PricewaterhouseCoopers CI LLP (resigned 13 December 2019) Royal Bank Place, 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND
Solicitors	Maples and Calder 75 St Stephen's Green Dublin 2 Ireland
Registered Office	32 Molesworth Street Dublin 2 Ireland
Fund Administrator	Apex Fund Services Limited 20 Reid Street Hamilton HM11 Bermuda

CLC (Issuer) Designated Activity Company

General Information

Investment Manager	Orchard Global Asset Management (S) PTE Ltd 9 Raffles Place Republic Plaza #60-01 Singapore 048619
Account Bank	U.S. Bank Global Corporate Trust Services Block E Cherrywood Technology Park Loughlinstown Co. Dublin Ireland
Security Trustee	U.S Bank Trustees Limited 125 Old Broad Street 5th Floor London EC2N 1AR

Directors' Report

The Directors present their annual report together with the audited financial statements of CLC (Issuer) Designated Activity Company (the "Company") for the financial year ended 31 December 2019.

Principal activities

The Company is a single member private company limited by shares, which was incorporated on 31 August 2016 under the laws of Ireland. The Company was established to provide funding or investment to claimants or law firms in connection with legal proceedings (litigation finance) and to carry on the business of a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 (as amended).

Orchard Global Asset Management (S) PTE Ltd (the "Investment Manager"), a company incorporated under the laws of the Republic of Singapore, provide certain investment management services to the Company, pursuant to the terms of the Investment Management Agreement.

During the financial period ended 31 December 2017, the Company issued Series 1 GBP 500,000,000 profit participating notes due 2040 (the "Series 1 PPN"). The Series 1 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Chapelgate Credit Opportunity Master Fund Limited, a limited liability company established under the laws of Bermuda (the "Series 1 Noteholder").

During the financial year ended 31 December 2018, the Company issued Series 2 GBP 500,000,000 secured profit participating notes due 2040 (the "Series 2 PPN"). The Series 2 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Freestone Advantage Partners III LP, a Delaware limited partnership (the "Series 2 Noteholder").

Both the Series 1 and Series 2 PPNs (together "the PPNs") are constituted and issued by way of deed poll (the "Deeds") executed by the Company and which bear interest from their date of issue. As at 31 December 2019, the total amount drawn down on the PPNs is GBP 25,437,891 (2018: GBP 21,260,648). The Series 1 and Series 2 Noteholders (together "the Noteholders") indemnified the Company against the consequences of any costs or related orders being made by a court against the Company in its role as a provider of litigation finance.

The proceeds from the issuance of the PPNs are utilised to acquire a portfolio of investments including loan facilities and litigation funding agreements (together "the Investments"). The investments comprise of funding provided to claimants or law firms in connection with legal proceedings taken by them.

The PPNs were listed on the official list of The International Stock Exchange ("TISE"), during the financial year ended 31 December 2018.

Business review

The Company's Key Performance Indicators (the "KPIs") during the financial year were as follows:

- The Company's profit before tax for the financial year amounted to GBP 500 (2018: GBP 500) and after charging tax of GBP 125 (2018: GBP 125), a profit of GBP 375 (2018: GBP 375) was transferred to retained earnings.
- The Company's fair value loss on PPN's issued was GBP 3,794,928 (2018: loss of GBP 546,299).
- The Company's fair value gain on financial assets was GBP 4,228,356 (2018: GBP 692,348).

Both the level of business during the financial year and the financial position at the financial year end were satisfactory. No significant changes in the principal activity of the Company are anticipated.

Directors' Report (continued)

Business review (continued)

The Directors are satisfied with the performance of the investment portfolio and believe that it is tracking well.

The investments are progressing in line with expectations. The investments are progressing at different stages of litigation, and the procedural status or expected duration of each investment may differ depending on the jurisdiction and nature of the investment.

The Directors expect to maintain the current level of activities going forward.

Results and dividend

The results for the financial year ended 31 December 2019 are set out on page 13. The Directors do not propose the payment of a dividend (2018: Nil).

Directors and Company Secretary

The Directors and Company Secretary who held office at 31 December 2019 and during the financial year are listed on page 2.

Directors, Secretary and their interests

None of the Directors or Secretary who held office on 31 December 2019 and during the financial year held any shares in the Company or have any interests in the Company at that date, or during the financial year.

Sean O'Sullivan and Jonathan Reynolds are employees of Maples Fiduciary Services (Ireland) Limited (the "Corporate Administrator"). Director fees are nil (2018: Nil).

Pursuant to Section 305A(I)(a) of the Companies Act 2014 (as amended), Maples Fiduciary Services (Ireland) Limited received GBP 2,255 (2018: GBP 2,321) as consideration for the making available of individuals to act as Directors of the Company. As at 31 December 2019 and 2018, the balance payable to Maples Fiduciary Services (Ireland) Limited is GBP Nil (2018: GBP Nil).

The terms of the corporate services agreement in place between the Company and Maples Fiduciary Services (Ireland) Limited provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, notwithstanding that the Directors of the Company are employees of Maples Fiduciary Services (Ireland) Limited, they each do not receive any remuneration for acting as Directors of the Company.

Principal risks and uncertainties

The Company is subject to various risks. The key risks facing the Company and the manner in which these risks have been dealt with are disclosed in Note 3 to the financial statements.

Issue of shares

Authorised share capital consists of 100,000 ordinary shares of EUR 1 each. 1 share was issued to Orchard Global Capital Group (S) PTE Ltd. The share capital is disclosed in Note 15.

Directors' Report (continued)

Accounting records

The Directors believe that they have complied with the requirements of section 281 - 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 32 Molesworth Street, Dublin 2, Ireland.

Going concern

The Directors are satisfied with the performance of the Company and believe that the Company will continue to operate in the future on the same basis.

Future developments

The Company will continue with its existing principal activities and has no plans at present regarding future developments.

Subsequent events

With the recent and rapid development of the Covid-19 outbreak, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures and policies have significantly disrupted (or are expected to disrupt) the activities of many entities. As the outbreak continues to progress and evolve, it is challenging to predict the full extent and duration of its business and economic impact.

We remain diligent in monitoring the potential impact on the Company and remain focussed on taking any necessary steps to mitigate its impact.

Ronan Carroll resigned as a director on 18 February 2020, Jonathan Reynolds was appointed as a director on 18 February 2020.

One of the portfolio investments held at 31 December 2019 subsequently resulted in a loss in February 2020 of GBP 3,150,960. The Directors do not consider that this impacts the valuation at the financial year end, which was calculated based on all relevant information available at the time of valuation.

There were no other subsequent events after the financial year end that would require adjustment to or disclosure in these financial statements.

Independent Auditor

KPMG, Chartered Accountants and Statutory Audit Firm was appointed as auditor on 14 February 2020 in accordance with section 383 (1) of the Companies Act, 2014 and have indicated their willingness to continue in office in accordance with section 383 (2) of the Companies Act, 2014.

PricewaterhouseCoopers CI LLP resigned as auditor on 13 December 2019 in accordance with section 400(1) of the Companies Act 2014.

Directors' Report (continued)

Relevant audit information

In the case of the persons who are directors at the time this report is approved in accordance with section 332 of the Companies Act 2014:

(a) so far as each director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
(b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

On behalf of the Board

Sean O' Sullivan
Director

Jonathan Reynolds
Director

Date: 30th April 2020

CLC (Issuer) Designated Activity Company

Statement of Directors' responsibilities in respect of the Directors’ Report and the financial statements

The directors are responsible for preparing the annual report and the Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Company financial statements for each financial year. The directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014.

Under company law the directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for preparing a directors’ report that complies with the requirements of the Companies Act 2014.

On behalf of the board

Director
Sean O’Sullivan

Director
Jonathan Reynolds

Date: 30th April 2020

Independent auditors' report to the members of CLC (Issuer) Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CLC (Issuer) DAC ('the Company') for the year ended 31 December 2019 set out on pages 13 to 47, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Fair value measurement of investments

In forming our opinion on the financial statements we draw attention to notes 2(e), 4 and 18 to the financial statements surrounding fair value measurement of investments and subsequent events. The financial statements include financial assets at fair value through profit or loss stated at their fair value of GBP 26,215,444. Due to the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these fair values may differ from their realisable values, and the differences could be material. Our opinion is not modified in this respect.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters: our assessment of risks of material misstatement (continued)

In arriving at our audit opinion above, the key audit matter of the Company is as follows:

Financial assets at fair value through profit or loss GBP 26,215,444 (2018 – GBP 19,795,673)

Refer to note 2(e) *(accounting policies)* and note 4(a) *(financial disclosures)*

The key audit matter	**How the matter was addressed in our audit**
The Company's investment portfolio is the key driver of the Company's total assets and performance for the year. The financial assets at fair value through profit or loss make up 99.9% of the total assets at 31 December 2019. The matters we identified that were of most significance in the audit of the financial statements included the risk of valuation of investments. There is a significant risk relating to the valuation of these investments given the judgemental nature of the matters that require consideration by the manager and the pricing committee.	Our audit procedures over the valuation of the Company's investments at fair value through profit or loss included, but were not limited to: • obtaining and documenting our understanding of the investment valuation process and testing the design, implementation and operating effectiveness of controls relevant to the valuation of investments; • engaging our valuation specialist to perform a range of valuation procedures on investments including the assessment of key assumptions used to value each claim, management's valuation policy and methodologies and the reasonableness of the fair value of investments; • we independently contacted the lawyers and counterparties involved in the underlying litigations to confirm the nature of the investments held by the Company and their current status, as well as the transactions between the lawyers and the Company during the year. We noted an error in the calculation of the cost of one of the litigation finance investments which resulted in a misstatement of the investment's valuation. This misstatement was immaterial and has been adjusted for in the financial statements. No further misstatements were noted.

Our application of materiality and an overview of the scope of our audit

Materiality for the Company was set at GBP 525,067, determined by reference to a benchmark of Total Assets of GBP 26,253,356, of which it represents 2%.

We report to the Board of Directors any corrected or uncorrected identified misstatements exceeding GBP 26,253 in addition to other identified misstatements that warranted reporting on qualitative grounds.

Independent auditors' report to the members of CLC (Issuer) Designated Activity Company (continued)

Our application of materiality and an overview of the scope of our audit (continued)

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, general information and statement of directors' responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

Independent auditors' report to the members of CLC (Issuer) Designated Activity Company (continued)

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Respective responsibilities and restrictions on use

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at
https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for our report, or for the opinions we have formed.

Date: 30 April 2020

Jorge Fernandez Revilla
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Statement of Comprehensive Income

For the financial year ended 31 December 2019.

	Note	Year ended 31-Dec-2019 GBP	Year ended 31-Dec-2018 GBP
Revenue			
Interest income	5	5,341	9,695
Net gain on financial assets at fair value through profit or loss	6	4,228,356	692,348
Net loss on debt securities at fair value through profit or loss	7	(3,794,928)	(546,299)
Total Revenue		**438,769**	**155,744**
Other income		500	500
Foreign exchange gain		18,613	38,692
Expenses			
Administrative expenses	8	(457,382)	(194,436)
Profit before tax		**500**	**500**
Tax expense	9	(125)	(125)
Profit for the year		**375**	**375**
Total comprehensive income for the year		**375**	**375**

There are no recognised gains and losses during the financial year other than those within the Statement of Comprehensive Income above.

All items dealt with and arriving at the result for the financial year ended 31 December 2019 related to continuing activities.

The accompanying notes form an integral part of the financial statements.

CLC (Issuer) Designated Activity Company

Statement of Financial Position
As at 31 December 2019

	Note	31-Dec-2019 GBP	31-Dec-2018 GBP
Current assets			
Cash and cash equivalents	10	2,488	61,202
Other receivables	11	35,424	1,162,404
		37,912	1,233,606
Non-current assets			
Financial assets at fair value through profit or loss	12	26,215,444	19,795,673
Total Assets		**26,253,356**	**21,019,279**
Liabilities and Equity			
Current liabilities			
Other payables	13	103,180	207,412
Non-current liabilities			
Debt securities designated at fair value through profit or loss	14	26,149,050	20,811,116
Total Liabilities		**26,252,230**	**21,018,528**
Equity			
Share capital	15	1	1
Retained earnings		1,125	750
Total Equity		**1,126**	**751**
Total Liabilities and Equity		**26,253,356**	**21,019,279**

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 30 April 2020 and signed on its behalf by:

Sean O' Sullivan
Director

Jonathan Reynolds
Director

CLC (Issuer) Designated Activity Company

Statement of Changes in Equity

For the financial year ended 31 December 2019

	Share Capital	Retained Earnings	Total Equity
	GBP	**GBP**	**GBP**
Balance at beginning of the year	**1**	**750**	**751**
Total comprehensive income for the year	**-**	375	375
Balance at 31 December 2019	**1**	**1,125**	**1,126**

	Share Capital	Retained Earnings	Total Equity
	GBP	**GBP**	**GBP**
Balance at beginning of the year	1	375	376
Total comprehensive income for the year	**-**	375	375
Balance at 31 December 2018	**1**	**750**	**751**

The accompanying notes form an integral part of the financial statements.

CLC (Issuer) Designated Activity Company

Statement of Cash flows

For the financial year ended 31 December 2019

	Financial Year Ended 31-Dec-2019	Financial Year Ended 31-Dec-2018
Cash flows from operating activities	**GBP**	**GBP**
Profit for the year	375	375
Net gain on financial assets at fair value through profit or loss	(4,228,356)	(692,348)
Net loss on financial liabilities designated at fair value through profit or loss	3,794,928	546,299
(Increase) in other receivables	(33,915)	(1,134)
Increase/(decrease) in other payables	(104,231)	169,035
Net cash flows from operating activities	(571,199)	22,227
Cash flows from investing activities		
Acquisition of financial assets	(7,046,093)	(3,712,766)
Disposal and settlement of financial assets*	4,854,678	1,846,693
Net cash from investing activities	(2,191,415)	(1,866,073)
Cash flows from financing activities		
Proceeds from capital calls on Profit Participating Notes	7,738,243	12,130,776
Payments on Profit Participating Notes**	(5,034,343)	(10,225,812)
Net cash flows from financing activities	2,703,900	1,904,964
Net (decrease)/increase in cash and cash equivalents	(58,714)	61,118
Cash and cash equivalents at beginning of the year	61,202	84
Cash and cash equivalents at 31 December 2019	**2,488**	**61,202**
Supplemental disclosure of non-cash investing and financing activities:		
*Disposal and settlement of financial assets	-	1,160,895
**Payments on profit participating notes	1,160,895	-

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2019

1 General information

The Company is a single member private company limited by shares, which was incorporated on 31 August 2016 under the laws of Ireland. The Company was established to acquire, manage, hold, sell, dispose of, finance and trade in all forms of financial assets and to carry on the business of a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 (as amended).

Orchard Global Asset Management (S) PTE Ltd (the "Investment Manager"), a company incorporated under the laws of the Republic of Singapore, provide certain investment management services to the Company, pursuant to the terms of the Investment Management Agreement.

During the financial period ended 31 December 2017, the Company issued Series 1 GBP 500,000,000 profit participating notes due 2040 (the “Series 1 PPN”). The Series 1 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Chapelgate Credit Opportunity Master Fund Limited, a limited liability company established under the laws of Bermuda (the “Series 1 Noteholder”).

During the financial year ended 31 December 2018, the Company issued Series 2 GBP 500,000,000 secured profit participating notes due 2040 (the “Series 2 PPN”). The Series 2 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Freestone Advantage Partners III LP, a Delaware limited partnership (the “Series 2 Noteholder”).

Both the Series 1 and Series 2 PPNs (together “the PPNs”) are constituted and issued by way of deed poll (the "Deeds") executed by the Company and which bear interest from their date of issue. As at 31 December 2019, the total amount drawn down on the PPNs is GBP 25,437,891 (2018: GBP 21,260,648). The Series 1 and Series 2 Noteholders (together “the Noteholders”) indemnified the Company against the consequences of any costs or related orders being made by a court against the Company as a Funder of Actions.

The proceeds from the issuance of the PPNs are utilised to acquire a portfolio of investments including loan facilities to law firms and litigation funding agreements (together “the Investments” or “Litigation Funding”). The investments comprise of funding provided to claimants or law firms in connection with legal proceedings taken by them.

The PPNs were listed on the official list of The International Stock Exchange (“TISE”) during the financial year ended 31 December 2018.

The Company has no employees.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) as adopted by the EU and in accordance with Irish Statute comprising the Companies Act 2014.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Statement of compliance

The financial statements have been prepared on the historical cost basis except for the following:

- Financial assets at fair value through profit or loss; and
- Debt securities designated at fair value through profit or loss.

In order to avoid the accounting mismatch that would otherwise arise the Company has designated the debt securities issued at fair value through profit or loss.

No changes in accounting policies were required by the Company during the year, other than as noted below:

In the prior year financial statements, the coupon expense was presented separately from the net (loss)/gain on financial liabilities at fair value through profit or loss. In the current year financial statements, the coupon expense is presented together with the net loss on debt securities designated at fair value through profit or loss, as the Directors are of the view that this revised presentation provides more relevant and meaningful information as the coupon payable is part of the debt securities designated at fair value through profit or loss.

The change has no impact on the total liabilities and equity. This change has been applied retrospectively in the financial statements as if this change had always applied.

(b) New and amended standards and interpretation

New standards and interpretations adopted during the year

In preparing the financial statements the Company has adopted the following standards, interpretations and amendments which have been issued by the IASB and have been adopted for use by the EU. None of these have a material effect on the results of the Company.

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Annual IFRS Improvement Process:
  - IFRS 3 Business Combinations - Previously held Interests in a joint operation
  - IFRS 11 Joint Arrangements - Previously held Interests in a joint operation
  - IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity
  - IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The Directors have reviewed those standards and interpretations applicable for accounting periods beginning on or after 1 January 2019 and assessed that none of those new standards and interpretations have an impact on the Company's financial statements.

2 Summary of significant accounting policies (continued)

(b) New and amended standards and interpretation (continued)

Standards issued but not yet effective

The Directors have reviewed the following standards and amendment that are issued but not yet effective up to the date of issuance of the Company's financial statements and assessed that none of these new standards and interpretations will have a significant impact to the Company's financial statements.

- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmarking Reform (effective 1 January 2020)
- Amendments to IAS 1 and IAS 8 Definition of Material (effective 1 January 2020)
- Amendment to References to the Conceptual Framework in IFRS standards (effective 1 January 2020)
- Amendment to IFRS 3 Definition of a Business (effective 1 January 2020)
- IFRS 17 Insurance contracts (effective 1 January 2021)*

*Not yet EU endorsed.

The Company will adopt these standards and amendments when they become effective.

(c) Functional and presentation currency

The financial statements are presented in GBP which is the Company's functional currency, being the currency of the primary economic environment in which the Company operates. The Directors of the Company believe that GBP most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS as adopted by the EU, requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects the period and any future period affected. Estimates relate to the valuation of financial assets at fair value through profit or loss. Please refer to Note 2(e) and Note 4 for details on fair value measurement and the judgements used.

2 Summary of significant accounting policies (continued)

(e) Financial instruments

The financial instruments held by the Company include the following:

- Financial assets; and
- Debt securities

In accordance with IFRS 9, the Company classifies its financial instruments at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category cash and cash equivalents and short-term non-financing receivables such as receivables due from related companies and other receivables.

Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category debt instruments that are held at fair value though profit or loss as the repayments do not meet the requirements of IFRS 9's solely payments of principal and interest ("SPPI") test. Litigation funding's are classified in this category based on the business model and it will fail SPPI test due to the contractual terms of the litigation finance investments.

2 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Financial liabilities

Debt securities measured at fair value through profit or loss

The Company includes in this category debt securities which were irrevocably designated at FVTPL at initial recognition to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities measured at amortised cost
This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category other payables.

Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Initial measurement

Financial assets and liabilities are measured on day 1 at fair value through profit or loss, adjusted for incremental direct costs for those at amortised cost.

For financial assets and debt securities issued at fair value through profit or loss, any gains and losses arising from changes in fair value are recorded in the Statement of Comprehensive Income from the trade date. Realised gains are recognised from proceeds of the sale of the Investments or completion of a legal case.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in fair value of financial assets and liabilities at FVTPL in the Statement of Comprehensive Income.

- Financial assets at FVTPL

The Investments are managed and monitored on a fair value basis, and, as such, are recognised at fair value.

2 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Subsequent measurement (continued)

- Financial assets at FVTPL (continued)

The financial assets classified at fair value through profit or loss are stated at fair value at the year end. In some instances fair value equates to cost, unless otherwise instructed by the Collateral Manager or valuation committee.

The Litigation funding agreements consist of investments in contracts, the underlying values of which are derived from commercial litigation or loans to law firms. The transaction price, excluding transaction costs, is typically the Company's best estimate of fair value at inception.

When evidence supports a change in the carrying value from the purchase price, adjustments are made to reflect this. Ongoing reviews by the Investment Manager are based on an assessment of trends in the performance of each underlying investment. These assessments typically incorporate valuation techniques that consider the evaluation of arm's length sale transactions with third parties (if such data is available for this asset class). When observable prices are not available, which is likely to occur for substantially all of the Investments, the Company may use an income approach in the form of a discounted cash flow analysis.

The income approach quantifies the value of an investment based on the receipt of future economic benefits. These benefits can include payments from settlements or judgments resulting from the final disposition of a litigation. The Discounted Cash Flow ("DCF") Method is a form of the income approach used to value such projected cash flows. The DCF Method involves estimating the future cash flows and discounting them to their present value. The key assumptions for the DCF Method are the cash flows and the discount rate. Please refer to Note 4 for model assumptions and limitations.

When determining the fair value of investments, the Company exercises significant judgement and uses the best information available as of the measurement date. There is inherent uncertainty in the valuation of the investments as any returns on the litigation finance investments is solely dependent on a favourable outcome in the legal cases. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ from (1) values that would have been used had a readily available market existed for those investments and (2) the values may be ultimately realised.

- Debt securities designated at fair value through profit or loss

Debt securities are initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. A liability may be designated as at fair value through profit or loss when it eliminates or significantly reduces a measurement or recognition inconsistency, "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. Where an accounting mismatch would otherwise exist, debt securities are subsequently measured at fair value through profit or loss.

The debt securities issued are designated at fair value. The fair value changes of the debt securities issued are recognised immediately in the Statement of Comprehensive Income. The fair value of the debt securities equates to the fair value total of financial assets and cash and cash equivalents less accrued payables and expenses. The ultimate amount to be repaid to the Noteholder depends on the proceeds received from the Investments. The costs of the debt are paid based on the 'Available Amount' as per the PPN Deed Poll.

2 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Subsequent measurement (continued)

- Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash and cash equivalents and other receivables. Financial liabilities that are not at fair value through profit or loss include accrued expenses. Financial assets and liabilities that are not at fair value through profit or loss are initially recognised at fair value and subsequently measured at amortised cost.

The Company recognised loss allowances for expected credit losses (ECL) on financial assets classified at amortised cost, debt instruments at FVOCI and contract assets. The Company measures loss allowances at an amount equal to lifetime ECL's, except for financial assets that are determined to have low credit risk at the reporting date and others where credit risk has not increased significantly since initial recognition which are measured at 12-month ECL's.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

2 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Fair value measurement principles (continued)

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(f) Net gain/(loss) on financial assets at fair value through profit or loss

Net gain/(loss) on financial assets at fair value through profit or loss relates to unrealised fair value changes, realised gains or losses and distributions.

Net realised gain from financial assets at fair value through profit or loss is calculated using the FIFO method.

(g) Net gain/(loss) on debt securities at fair value through profit or loss

Net gain/(loss) on debt securities at fair value through profit or loss related to unrealised fair value changes, realised gains or losses and coupons.

(h) Taxation

The company is actively taxed in accordance with Section 110 of the Taxes Consolidation Act, 1997. Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using the tax rates applicable to the Company's activities enacted or substantially enacted at the statement of financial position date, and adjustments to tax payable in respect of previous financial years. Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the year end date except as otherwise required by IAS 12 'Income Taxes'. Provision is made at the tax rates which are expected to apply in the financial years in which the timing differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

2 Summary of significant accounting policies (continued)

(h) Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

The Company is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash held with banks which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(j) Other income and expenses

Other income and expenses are accounted for on an accruals basis.

(k) Share Capital

The share capital of the company comprises one Ordinary Share which is classified as equity.

(l) Other receivables and other payables

Other receivables and other payables are measured at amortised cost as adjusted for ECL's in the Statement of Financial Position.

(m) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation of financial assets at fair value through profit or loss are recognised in net gain on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Foreign currency differences arising on retranslation of expense accruals are recognised in administration expenses in the Statement of Comprehensive Income.

3 Financial risk management

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Noteholders have limited recourse against the secured assets, and are exposed to the combined market risk of the financial instruments held by the Company. Substantially all the risk and rewards of ownership are borne by the Noteholders.

3 Financial risk management (continued)

Risk management framework (continued)

All substantial risks and rewards associated with the financial assets are ultimately borne by the Note holders. Therefore any change in risk variables would not affect the equity or the results of the Company.

The Company has exposure to the following risks from its use of financial instruments:

a) Market risk;
b) Credit risk;
c) Liquidity risk
d) Concentration risk;
e) Operational risk; and
f) Capital risk management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk to the Company embodies the potential for both losses and gains and includes currency risk and other price risk.

The Company manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques. The Investment Manager may also attempt to hedge some or all of the risk.

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The company's exposure to foreign currency risk is presented in the tables below from the perspective of the noteholders:

	31-Dec-2019 AUD exposure GBP	31-Dec-2019 USD exposure GBP	31-Dec-2019 EUR exposure GBP	Total GBP
Financial assets at FVTPL	2,220,770	18,439,406	-	20,660,176
Cash and cash equivalents	-	84	2,403	2,487
Other receivables	3,298	21,620	-	24,918
	2,224,068	**18,461,110**	**2,403**	**20,687,581**

3 Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

i) Currency risk (continued)

	31-Dec-2018 AUD exposure GBP	31-Dec-2018 USD exposure GBP	Total GBP
Financial assets at FVTPL	2,021,739	13,837,265	15,859,004
Cash and cash equivalents	-	21,607	21,607
	2,021,739	**13,858,872**	**15,880,611**

Sensitivity analysis

If the AUD exchange rate was to increase by 5% from the financial year end rate the AUD exposure would reduce by approximately GBP 111,203 (2018: GBP 101,087). The effect would be equal and opposite if the rate decreased by the same amount.

If the USD exchange rate was to increase by 5% from the financial year end the USD exposure would reduce by approximately GBP 923,055 (2018: GBP 692,944). The effect would be equal and opposite if the rate decreased by the same amount.

If the EUR exchange rate was to increase by 5% from the financial year end the EUR exposure would reduce by approximately GBP 120 (2018: GBP Nil). The effect would be equal and opposite if the rate decreased by the same amount.

The foreign currency risk is borne by the Noteholders and thus the exchange rate changes have no net impact on the equity or the results of the Company. As the Company has a flat structure and all profits and losses are passed onto the Noteholders, there is no residual risk remaining.

Foreign Exchange Rates GBP	**31-Dec-2019**	**31-Dec-2018**
AUD	1.8882	1.8097
USD	1.3263	1.2746
EUR	1.1811	1.1450

Notes to the Financial Statements
For the financial year ended 31 December 2019

3 Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments.

Changes in interest rates will affect the fair value of financial assets valued using the discounted cash flow method and are sensitive to changes in interest rates.

The interest rate risk profile of the financial assets and financial liabilities is disclosed below:

31 December 2019

Financial assets	**Interest bearing variable GBP**	**Non-interest bearing GBP**	**Total GBP**
Financial assets at FVTPL	-	26,215,444	26,215,444
Cash and cash equivalents	-	2,488	2,488
Other receivables	-	35,424	35,424
	-	**26,253,356**	**26,253,356**

Financial liabilities	**Interest bearing variable GBP**	**Non-interest bearing GBP**	**Total GBP**
Debt securities at FVTPL	26,149,050	-	26,149,050
Other payables	-	103,180	103,180
	26,149,050	**103,180**	**26,252,230**

31 December 2018

Financial assets	**Interest bearing variable GBP**	**Non-interest bearing GBP**	**Total GBP**
Financial assets at FVTPL	-	19,795,673	19,795,673
Cash and cash equivalents	-	61,202	61,202
Other receivables	-	1,162,404	1,162,404
	-	**1,233,606**	**21,019,279**

Financial liabilities	**Interest bearing variable GBP**	**Non-interest bearing GBP**	**Total GBP**
Debt securities at FVTPL	20,811,116	-	20,811,116
Other payables	-	207,412	207,412
	20,811,116	**207,412**	**21,018,528**

3 Financial risk management (continued)

Risk management framework (continued)

a) Market risk (continued)

ii) Interest rate risk

An increase of 5% in interest rates at the reporting date would have increased the debt securities designated at fair value through profit or loss by GBP 1,307,453 (2018: GBP 1,040,556). A decrease of 5% would have an equal and opposite effect. The interest rate risk of the investments is borne by the holders of the debt securities issued and thus changes in interest rates have no net impact on the equity or the results of the Company.

iii) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk and currency risk, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders of the PPN's in the first instance. As at 31 December 2019, the Noteholders' exposure to other price risk relates to value of financial assets amounting to GBP 26,215,444 (2018: GBP 19,795,673). Price risk is managed by investing in a diversified portfolio of investments.

An increase of 5% in the market prices of the financial assets with all other variables held constant at the reporting date would result in an increase of GBP 1,310,772 (2018: GBP 989,784) in the fair value of the Notes issued. A decrease of 5% in the market prices of the financial assets would have an equal and opposite effect.

b) Credit risk

Credit risk is the risk of financial loss to the Company if another party to a financial instrument or transaction fails to discharge its contractual obligation when it falls due and arises principally from the investments in Financial Assets at fair value through the profit or loss held by the Company.

3 Financial risk management (continued)

Risk management framework (continued)

b) Credit risk (continued)

The following table shows the total carrying value of assets, which represents the maximum credit exposure at period end:

	31-Dec-19 GBP	31-Dec-18 GBP
Financial assets at fair value through profit or loss	26,215,444	19,795,673
Cash and cash equivalents	2,488	61,202
Other receivables	35,424	1,162,404
	26,253,356	**21,019,279**

The Investment Manager reviews the credit risk of counterparties, which may include the defendant entity in the litigation and/or a law firm, for each investment at the time of underwriting and on an ongoing basis throughout the life of the investment. The Investment Manager does not currently consider there to be any significant credit or recoverability concerns (excluding the outcome of the cases) and continues to closely monitor credit exposures across the Portfolio.

The company invests in litigation finance investments by way of providing funding to claimants or law firms or barristers identified and sourced by the Investment Manager in accordance with the terms of the Investment Management Agreement for the purposes of pursuing legal claims where the returns are linked wholly or primarily to the performance of the relevant legal dispute and where the jurisdiction of that litigation or arbitration is that of any jurisdiction in Europe (other than Ireland), Australia or North America, including but not limited to, funding of individual claims or portfolios of claims. The litigation finance investments are not rated. Please see concentration of the litigation finance investments in note 3 d).

The carrying amounts of financial assets represent the maximum credit exposure. The Company limits its exposure to credit risk by only investing according to portfolio guidelines approved by the Investment Manager of the Company. The risk of default on these assets is borne by the Noteholders.

The Company's cash balances are held with U.S Bank (Elavon Financial Services DAC) which is rated A-1+ by Standard and Poor's (2018: A-1+).

The exposure of the Company's investments to credit risk is continuously monitored by the Directors.

Notes to the Financial Statements
For the financial year ended 31 December 2019

3 Financial risk management (continued)

Risk management framework (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following table details the Company's liquidity analysis for its financial liabilities:

31-Dec-19

	Maturing < 1 year GBP	Maturing 1 to 5 years GBP	Maturing > 5 years GBP	Gross Contractual Cash flows GBP	31-Dec-2019 Carrying Amount GBP
Debt securities at FVTPL– PPN	-	-	26,149,050	26,149,050	26,149,050
Other payables	103,180	-	-	103,180	103,180
	103,180	**-**	**26,149,050**	**26,252,230**	**26,252,230**

31-Dec-18

	Maturing < 1 year GBP	Maturing 1 to 5 years GBP	Maturing > 5 years GBP	Gross Contractual Cash flows GBP	31-Dec-2018 Carrying Amount GBP
Debt securities at FVTPL– PPN's	-	-	20,811,116	20,811,116	20,811,116
Other payables	207,412	-	-	207,412	207,412
	207,412	**-**	**20,811,116**	**21,018,528**	**21,018,528**

The maturity of the debt securities designated at fair value through profit or loss is consistent with the estimated length of the litigation finance cases.

The Company makes commitments to investments and may deploy the full commitment in a single, upfront draw or may deploy the commitment over time as it receives drawdown requests from a counterparty. The Company calls the capital needed to fund investments from the PPN Noteholders upon receipt of a drawdown request by providing prior written notice to the PPN Noteholders which in case of an election to fund a commitment amount shall be issued to and signed by the PPN Noteholders prior to the Issuer entering into the investment agreement relating to the commitment amount.

The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risk in damaging the Company's reputation. The Company manages this through seeking to match the cash outflows on debt securities with the cash inflows from the Financial Assets. The profit participating notes have a due date of 2040. There is no early redemption clause linked to the PPNs.

3 Financial risk management (continued)

Risk management framework (continued)

d) Liquidity risk (continued)

The current undrawn commitments to the current litigation finance investments is GBP 8,849,195 (2018: GBP 9,816,454).

The Company's obligations to the Noteholders are direct, secured and limited recourse with respect to the assets and cash flows of the company and therefore the Company does not bear any liquidity risk in respect of the debt securities issued.

To the extent within its reasonable control, the Company shall ensure that it makes distributions of coupon, and/or repayments of capital to the PPN holders as soon as reasonably practicable after the Company receives any proceeds in respect of an investment. The Company shall, as and when the PPN's or any part of them become due to be redeemed, in accordance with the conditions of the PPN, unconditionally pay to or to the order of the PPN holders such amount as may be payable by the Company in accordance with the conditions in connection with such redemption or any of them or part thereof becoming due for redemption or repayment on that date provided that no provision contained on the PPN conditions will require the Company to pay an amount (excluding interest) in respect of a PPN which exceeds the paid-up amount in respect thereof.

d) Concentration risk

The Company's industry exposures are shown below:

Industry Concentration	**31-Dec-2019 GBP**	**31-Dec-2019 %**	**31-Dec-2018 %**	**31-Dec-2018 %**
Litigation Funding	26,215,444	100%	19,795,673	100%
Total	**26,215,444**	**100%**	**19,795,673**	**100%**

The Company holds 17 investments (2018: 9 investments). All investments are litigation finance apart from one which is a loan to a legal firm.

The value of investments greater than 5% of the portfolio are as follows

	31-Dec-2019 GBP	**31-Dec-2019 %**	**31-Dec-2018 %**	**31-Dec-2018 %**
Investment CLC-001	14,270,147	54%	13,463,675	68%
Investment CLC-002	3,150,960	12%	2,328,269	12%
Investment CLC-003	2,220,770	8%	1,934,022	10%
Investment CLC-004	1,636,072	6%	-	-
Total	**21,277,949**	**80%**	**17,725,966**	**90%**

Concentrations are determined by management based on the type of interest held by the Company (i.e. whether the interest is by way of a litigation funding agreement or loan facility).

3 Financial risk management (continued)

Risk management framework (continued)

d) Concentration risk (continued)

The Company's investments by geographical location are detailed below:

<u>**Geographic Concentration**</u>	**31-Dec-2019 GBP**	**31-Dec-2019 %**	**31-Dec-2018 GBP**	**31-Dec-2018 %**
Australia	2,220,770	9%	1,934,022	10%
United Kingdom	5,555,268	21%	3,271,735	17%
United States	18,439,406	70%	14,589,916	73%
Total	**26,215,444**	**100%**	**19,795,673**	**100%**

e) Operational risk exposure

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced.

f) Capital risk management

The capital managed by the Company comprised of the notes issued and outstanding at year end. The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the Noteholders through optimisation of the notes issued balance. The Company is not subject to externally imposed capital requirements.

4 Fair Values

The Company's financial assets and debt securities are carried at fair value on the Statement of Financial Position.

Determining fair values

The determination of fair value for financial assets for which there is no observable market price requires the use of valuation techniques as described in accounting policy 2(e) under the sub heading "Financial Instruments".

4 Fair Values (continued)

For some financial assets fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

IFRS 13 requires that the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the observable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Changes in valuation methods may result in transfers into or out of an investment's assigned hierarchy level.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs or there is an illiquid market for the instrument, that measurement is a level 3 measurement.

Transfers between the levels are deemed to have occurred where there is objective evidence of a change in the lowest level input that is significant to the fair value measurement.

The Investment Manager and valuation committee ensure that the entire valuation process of the Company's investments are fair, consistent and verifiable.

a) Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments of the Company.

Significant unobservable inputs used in measuring fair value

Per IFRS 13, an entity shall disclose information that helps users of its financial statements assess for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements. The Company has determined that 100% of the financial assets have been priced using unobservable inputs.

4 Fair Values (continued)

a) Valuation Techniques (continued)

Significant unobservable inputs used in measuring fair value (continued)

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments of the Company.

Financial assets:

The valuation techniques of the financial assets are set out in note 2 (e). Financial assets at fair value through profit or loss comprised of litigation finance investments with a fair value of GBP 26,215,444 (2018: GBP 19,795,673). The following table summarises the range of valuation methodologies applied to financial assets.

Instrument type	Valuation source hierarchy	Valuation methodology	Model assumptions	Model limitations
Litigation finance	1. Verifiable non-stale market trades 2. External valuer 3. Mark to Model 4. Cost (where it approximates fair value)	Data is gathered and the mark determined and communicated to the Pricing Committee for final approval. The Manager provides the price to the Administrator.	Once sufficient information is available, valuations are determined using a tree approach – all reasonable outcomes are assigned a pay-off, a probability and an expected timeframe. Discount factors may be applied depending on the relative certainty of these parameters.	Assigned pay-offs, probabilities and expected timeframes are all subjective. They are assigned based on all relevant available information and subject to the agreement of the Pricing Committee.

The following table shows the total carrying value of financial assets by valuation source:

		31-Dec-19 GBP	31-Dec-18 GBP
Financial asset	**Valuation source**		
Litigation finance*	Mark to Model – DCF	7,738,187	-
Litigation finance*	Cost	18,477,257	19,795,673
		26,215,444	19,795,673

*For the year end 2019, GBP 22 million of these investments are calibrated to a previous market transaction on these investments.

4 Fair Values (continued)

a) Valuation Techniques (continued)

Financial assets (continued)

When determining the fair value of investments, the Company exercises significant judgement and uses the best information available as of the measurement date. There is inherent uncertainty in the valuation of the investments as any returns on the litigation finance investments is solely dependent on a favourable outcome in the legal cases. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ from (1) values that would have been used had a readily available market existed for those investments and (2) the values may be ultimately realised.

b) Fair Value Hierarchy

At the reporting date, the carrying amounts of the financial assets issued by the Company whose fair values were determined directly, in full or in part, by reference to Level 1, Level 2 and Level 3 as mentioned above are as follows:

31-Dec-19	**Level 1**	**Level 2**	**Level 3**	**Total**
	GBP	**GBP**	**GBP**	**GBP**
Assets				
Financial Assets at FVTPL	-	-	26,215,444	26,215,444
Total financial assets	**-**	**-**	**26,215,444**	**26,215,444**

31-Dec-19	**Level 1**	**Level 2**	**Level 3**	**Total**
	GBP	**GBP**	**GBP**	**GBP**
Liabilities				
Debt securities at FVTPL	-	-	26,149,050	26,149,050
Total financial liabilities	**-**	**-**	**26,149,050**	**26,149,050**

31-Dec-18	**Level 1**	**Level 2**	**Level 3**	**Total**
	GBP	**GBP**	**GBP**	**GBP**
Assets				
Financial Assets at FVTPL	-	-	19,795,673	19,795,673
Total financial assets	**-**	**-**	**19,795,673**	**19,795,673**

31-Dec-18	**Level 1**	**Level 2**	**Level 3**	**Total**
	GBP	**GBP**	**GBP**	**GBP**
Liabilities				
Debt securities at FVTPL	-	-	20,811,116	20,811,116
Total financial liabilities	**-**	**-**	**20,811,116**	**20,811,116**

4 Fair Values (continued)

b) Fair Value Hierarchy (continued)

The financial assets and profit participating notes are based on unobservable inputs and are therefore classified as Level 3 instruments. Transfers in or out are recognised based on the beginning fair value of the financial period in which they occurred. There were no transfers of investments between levels during the financial year ended 31 December 2019 (2018: Nil).

All other assets and liabilities such as other receivables and other payables are classified as Level 2 at 31 December 2019.

All substantial risks and rewards associated with the financial assets are ultimately borne by the Noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company. Please refer to Note 14. The sensitivity analysis for the PPNs approximates the sensitivity analysis of the assets.

Reconciliation of Level 3 fair value measurements of financial assets

	Financial Year ended 31-Dec-19	**Financial Year ended 31-Dec-18**
	GBP	**GBP**
Opening balance	19,795,673	18,398,146
Additions during the financial year	7,046,093	3,712,766
Disposals and repayments during the financial year	(4,854,678)	(3,007,588)
Net changes in fair value through profit or loss	4,228,356	692,348
Closing balance	**26,215,444**	**19,795,673**

Sensitivity Analysis

Level 3 asset prices are based on the Investment Manager's best estimates when assessing a number of differing factors.

The following table shows the impact of a 5% movement in the price for the litigation finance investments:

4 Fair Values (continued)

b) Fair Value Hierarchy (continued)

Sensitivity Analysis (continued)

Financial asset	**Valuation source**	**31-Dec-19 GBP**	**Sensitivity +/- 5% GBP**	**31-Dec-18 GBP**	**Sensitivity +/- 5% GBP**
Litigation finance	Discounted cash flow*	7,738,187	386,909/ (386,909)	-	-
Litigation finance	Cost	18,477,257	923,863/ (923,863)	19,795,673	989,784/ (989,784)
		26,215,444		19,795,673	

The price range for investments is 100% to 119.81%.

*Please refer to Note 4 (a) for key inputs.

5 Interest income

	Financial Year Ended 31-Dec-19	**Financial Year Ended 31-Dec-18**
	GBP	**GBP**
Bank interest income	5,341	9,695
	5,341	**9,695**

6 Net gain / (loss) on financial assets at fair value through profit or loss

	Financial Year Ended 31-Dec-19	**Financial Year Ended 31-Dec-18**
	GBP	**GBP**
Net realised and unrealised gain on financial assets at fair value through profit or loss	4,228,356	692,348

7 Net (loss) / gain on debt securities designated at fair value through profit or loss

	Financial Year Ended 31-Dec-19 GBP	Financial Year Ended 31-Dec-18 GBP
Net (loss) on debt securities designated at fair value through profit or loss	(3,794,928)	(546,299)
	(3,794,928)	**(546,299)**

The PPNs are constituted and issued by way of a deed poll (the "Deed") executed by the Company and bear interest from their date of issue. As at 31 December 2019, the total amount drawn down on the PPNs is GBP 25,437,891 (2018: GBP 21,260,648).

8 Administration expenses

	Financial Year Ended 31-Dec-19 GBP	Financial Year Ended 31-Dec-18 GBP
Corporate administration fees	(22,554)	(23,214)
Audit fee	(63,890)	(51,322)
Fund administration fees	(24,543)	(22,518)
Professional fees	(30,949)	(47,537)
Bank account fees	(17,602)	(12,664)
Legal fees	(86,618)	(314)
Performance fees	(181,418)	-
Management fees	(29,808)	-
Other expenses	-	(36,867)
	(457,382)	**(194,436)**

The Series 1 Noteholder pays management and/or performance fees at the Chapelgate Credit Opportunity Master Fund Limited level.

8 Administration expenses (continued)

In accordance with the Amended Restated Funding Cooperating Agreement dated 13 September 2019, the Series 2 Noteholder agrees to pay an annual management fee equal to 0.75% of the amount committed by them. Prior to 13 September 2019, the Series 2 Noteholder did not pay a management fee. The Company retains the management fee from the return paid to the Series 2 Noteholder and pays it to the Investment Manager.

The Series 2 Noteholder pays a performance fee equal to 20% of any return paid to them in relation to the repayment of amounts committed by them above a hurdle rate of 8%. The performance fee is calculated on a case by case standalone basis specific to each funded investment.

Auditor's remuneration (exclusive of VAT)

	Financial Year Ended 31-Dec-19 GBP	**Financial Year Ended 31-Dec-18 GBP**
Audit of financial statements	52,579	36,243
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	52,579	**36,243**

Audit fees of GBP 52,579 excluding VAT (2018: GBP 36,243) relate wholly to the Company's statutory audit. There are no other fees paid to the auditor.

9 Taxation

	Financial Year Ended 31-Dec-19 GBP	**Financial Year Ended 31-Dec-18 GBP**
Profit before taxation	500	500
Corporation tax rate	25%	25%
Corporation tax - current year charge	125	125
Corporation tax – paid	**125**	**125**

The Company is a Qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, the profits of the Company are chargeable to corporation tax under Case III of Schedule D at a rate of 25 per cent but are computed in accordance with the provisions applicable to Case I of Schedule D. Deferred tax at the year end was nil.

Notes to the Financial Statements
For the financial year ended 31 December 2019

10 Cash and cash equivalents

	31-Dec-19	31-Dec-18
	GBP	GBP
Cash and cash equivalents	2,488	61,202
	2,488	**61,202**

The Company's cash balances are held with U.S Bank (Elavon Financial Services DAC) which is rated A-1+ (2018: A-1+) by Standard and Poor's. For the purposes of the statement of cash flows, cash and cash equivalents comprise the above amounts.

11 Other receivables

	31-Dec-19	31-Dec-18
	GBP	GBP
Receivable due from affiliate company	12,303	1,160,895
Other receivables	23,121	1,509
	35,424	**1,162,404**

12 Financial assets at fair value through profit or loss

	31-Dec-19	31-Dec-18
	GBP	GBP
Financial assets at fair value through profit or loss	26,215,444	19,795,673
	26,215,444	**19,795,673**

Movement in financial assets	**31-Dec-19**	**31-Dec-18**
	GBP	**GBP**
Opening balance	19,795,673	18,398,146
Additions during the financial year	7,046,093	3,712,766
Disposals and repayments during the financial year	(4,854,678)	(3,007,588)
Gain on financial assets at fair value through profit or loss	4,228,356	692,349
	26,215,444	**19,795,673**

Current undrawn commitments are GBP 8,849,195 (2018: GBP 9,816,454).

13 Other payables

	31-Dec-19 GBP	31-Dec-18 GBP
Accruals	94,176	79,674
Other payables	9,004	127,738
	103,180	**207,412**

14 Debt securities designated at FVTPL

	31-Dec-19 GBP	31-Dec-18 GBP
Debt securities designated at FVTPL	26,149,050	20,811,116
	26,149,050	**20,811,116**

Movement in Debt securities designated at fair value through profit or loss

	31-Dec-19 GBP	31-Dec-18 GBP
At beginning of year	20,811,116	18,359,853
Capital calls on PPNs during the year	7,738,243	12,130,776
Payments on PPNs during the year	(6,195,238)	(10,225,812)
Loss on debt securities designated at fair value through profit or loss	3,794,929	546,299
At end of the year	**26,149,050**	**20,811,116**

During the financial period ended 31 December 2017, the Company issued Series 1 GBP 500,000,000 profit participating notes due 2040 (the “Series 1 PPN”). The Series 1 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Chapelgate Credit Opportunity Master Fund Limited, a limited liability company established under the laws of Bermuda (the “Series 1 Noteholder”).

14 Debt securities designated at FVTPL (continued)

During the financial period ended 31 December 2018, the Company issued a Series 2 GBP 500,000,000 secured PPN due 2040 (the 'Series 2 Noteholder'). The Series 2 PPN was subscribed for, by way of a subscription agreement, entered into between the Company and Freestone Advantage Partners III LP, a Delaware limited partnership.

The issue proceeds of the PPNs were applied for the purposes of acquiring a portfolio of financial assets (the "Investments" or "Litigation Funding").

The Company shall give the PPN Noteholders prior written notice of any capital calls prior to the Company entering into an investment agreement relating to that commitment amount.

The PPN holders are entitled to receive coupon representing any income and gains paid to the Company less any losses and costs suffered by the Company in respect of the portfolio, and to the extent not included in the foregoing, the taxable profits (before interest) of the Company arising in respect of the portfolio.

The fair value of the underlying investments and gains from these investments are allocated to the respective PPN Noteholder as an amount equal to the proportion of the underling investment funded by the respective PPN Noteholder.

Freestone has the right to co-invest up to 50% in each litigation finance investment. The PPN holders may mutually agree to proceed in different proportions and/or with single or staged drawdowns under the PPNs by way of capital call notices as they determine to be appropriate. If one PPN holder decides not to proceed with a proposed investment, the other PPN holder may nevertheless still proceed with such proposed investment through the Company. The PPN holders can opt not to participate in a new litigation finance investment.

The PPN holders are responsible for their pro rata share (determined by reference to their share of funded investments in the Company relative to the overall investment portfolio of the Company) of all fees, costs and expenses in connection with the establishment and ongoing operation, management and administration of the Company. See note 8 for allocations of management and performance fees among the PPN holders.

The PPNs are subscribed for by way of subscription agreements, entered into between the Company and the Noteholders. The Notes are constituted and issued by way of a deed poll (the "Deed") executed by the Company and which bear interest from their date of issue.

The amount committed but which remains undrawn at the financial year end is GBP 8,849,195 (2018: GBP 9,816,454).

The amount of coupon expense accrued in respect of any accrual period is based on the 'Available Amount' which is equal to the gross revenue less expenses, for the purpose of Irish corporation tax.

15 Share capital

	31-Dec-19 GBP	31-Dec-18 GBP
Authorised		
100,000 ordinary shares of EUR 1 each (GBP 1)	**100,000**	**100,000**
Issued	**GBP**	**GBP**
1 ordinary shares of EUR 1 each (GBP 1)	**1**	**1**

The authorised share capital of the Company is EUR 100,000 divided into 100,000 ordinary shares at EUR 1 each. One share (one ordinary share of EUR 1 par value) has been issued to Orchard Global Capital Group (S) PTE Limited. There are no voting rights attached to the shares.

16 Transactions with related parties

The Company has a Corporate Services Agreement with Maples Fiduciary Services (Ireland) Limited for the provision of corporate fiduciary and general administration services to the Company. During the financial year Maples Fiduciary Services (Ireland) Limited earned fees of GBP 22,554 (2018: GBP 23,214) for the provision of corporate administration services. The Directors, Sean O'Sullivan and Jonathan Reynolds, are employees of the Corporate Administrator and hence may be deemed to have an interest in this fee.

Pursuant to Section 305A(I)(a) of the Companies Act 2014 (as amended), Maples Fiduciary Services (Ireland) Limited received GBP 2,255 (2018: 2,321) as consideration for the making available of individuals to act as Directors of the Company. As at 31 December 2019 and 2018, the balance payable to Maples Fiduciary Services (Ireland) Limited is GBP Nil (2018: GBP Nil).

The terms of the corporate services agreement in place between the Company and Maples Fiduciary Services (Ireland) Limited provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation.

The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, notwithstanding that the Directors of the Company are employees of Maples Fiduciary Services (Ireland) Limited, they each do not receive any remuneration for acting as Directors of the Company.

Chapelgate Credit Opportunities Master Fund Limited ("Chapelgate") who holds one of the PPN notes is related to the Company through a common investment manager. See note 14 where the basis for the allocation of the PPNs to each PPN holder is described. At the financial year end, an amount of GBP 12,303 (2018: GBP 1,160,895) was due from Chapelgate. At 31 December 2018 the receivable arose due to the settlement of the disposal of the Company's litigation finance investment directly with Chapelgate. The balance due back to the Company related to Freestone's portion of the investment proceeds. During 2019, Chapelgate settled this receivable by paying the balance directly to Freestone.

16 Transactions with related parties (continued)

During the financial year, the Investment Manager received management fees of GBP 29,808 (2018: GBP; Nil) and performance fees of GBP 181,418 (2018: GBP: Nil) from Freestone Advantage Partners III LP. The Investment Manager is related to the Company on the basis that it has the authority to invest the assets of the Company in accordance with the terms of the Investment Management Agreement and they fall under the definition of key management personnel under IAS 24.

17 Parent and ultimate controlling party

At 31 December 2019, Orchard Global Capital Group (S) PTE Limited is the registered holder of the issued share capital.

The Board of Directors is responsible for the day-to-day management and administration of the Company. The Board is composed of two Directors, both of whom are employees of the Corporate Administrator.

18 Subsequent events

With the recent and rapid development of the Covid-19 outbreak, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures and policies have significantly disrupted (or are expected to disrupt) the activities of many entities. As the outbreak continues to progress and evolve, it is challenging to predict the full extent and duration of its business and economic impact.

Management remains diligent in monitoring the potential impact on the Company and remain focused on taking any necessary steps to mitigate its impact.

Ronan Carroll resigned as a director on 18 February 2020, Jonathan Reynolds was appointed as a director on 18 February 2020.

One of the portfolio investments held at 31 December 2019 subsequently resulted in a loss in February 2020 of GBP 3,150,960. The Directors do not consider that this impacts the valuation at the financial year end, which was calculated based on all relevant information available at the time of valuation.

Future investment commitments will be financed by further drawdowns on the PPN’s.

There were no other subsequent events after the financial year end that would require adjustment to or disclosure in these financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2019

19 Charges

Details of charges at the financial year end are as follows:

Details of charge	Person entitled	Registration date
Pursuant to clause 5.1 of the Security Trust Deed, the Issuer, CLC (Issuer) DAC, as continuing security for the payment, discharge and performance of all of the Secured Obligations (all money, obligations and liabilities and all other amounts due, owing, payable or owed by CLC (Issuer) DAC to the Secured Creditors (the U.S. Bank Trustees Limited as Security Trustee, the PPN Noteholders, the Investment Manager, the Account Bank, the Corporate Administrator, any Receiver, any delegate or sub-delegate of any Receiver of the Security Trustee) , as legal and beneficial owner.	U.S. Bank Trustees Limited (as security trustee for the Secured Creditors) (125 Old Broad Street Fifth Floor, London EC2N 1AR, United Kingdom)	21 April 2017
Pursuant to clause 5.1 of the Debenture, the Chargor, CLC (Issuer) DAC, assigned and agreed to assign absolutely and with full title guarantee, subject to a proviso for re-assignment on redemption, all of its rights in respect of:(a) upon the designation of an Assigned Agreement by the Chargor and the Security Trustee (U.S. Bank Trustees Limited), that Assigned Agreement; (b) all Ancillary Rights; and (c) the Bank Accounts.	U.S. Bank Trustees Limited (as security trustee for the Secured Creditors) (125 Old Broad Street Fifth Floor, London EC2N 1AR, United Kingdom)	21 April 2017
Pursuant to Section 8.4. of the Orchard/Parabellum Master Prepaid Forward Purchase Agreement as security for the Purchaser's, CLC (Issuer) DAC, payment of the remaining Unfunded Commitment Amount and its other obligations thereunder, the Purchaser thereby granted to the Seller (Parabellum Partners I), after giving effect to the Subordination Agreement, a first priority security interest in and lien on the Purchased Interest (the litigation proceeds from all approved litigation projects).	Parabellum Partners I, LP (C/O Parabellum Capital LLC, 100 Broadway 22nd Floor, New York, NY 10022, USA)	31 July 2017

Notes to the Financial Statements
For the financial year ended 31 December 2019

19 Charges (continued)

Details of charges at the financial year end are as follows:

Pursuant to the Accession Memorandum and under that document pursuant to clause 5.1 of the Security Trust Deed, the Issuer, CLC (Issuer) DAC, as continuing security for the payment, discharge and performance of all of the Secured Obligations (all money, obligations and liabilities and all other amounts due, owing, payable or owed by the CLC (Issuer) DAC to the Secured Creditors under the Transaction Documents), as legal and beneficial owner:(a) assigned absolutely to the Security Trustee (U.S. Bank Trustees Limited) and charged by way of first fixed charge in favour of the Security Trustee (i) the Transaction Documents and all the Rights, title and interest of the Issuer in those Transaction Documents; and (ii) any of its Rights in respect of the Investments, Related Security and Investment Repayment Amounts; and(further particulars of the property charged are set out in the Further Particulars hereto) (definitions contained in Schedule 1 of the Further Particulars hereto).	U.S. Bank Trustees Limited (as security trustee for the Secured Creditors) (125 Old Broad Street Fifth Floor, London EC2N 1AR, United Kingdom)	14 September 2018

20 Approval of the financial statements

The financial statements were approved by the Board on 30 April 2020.