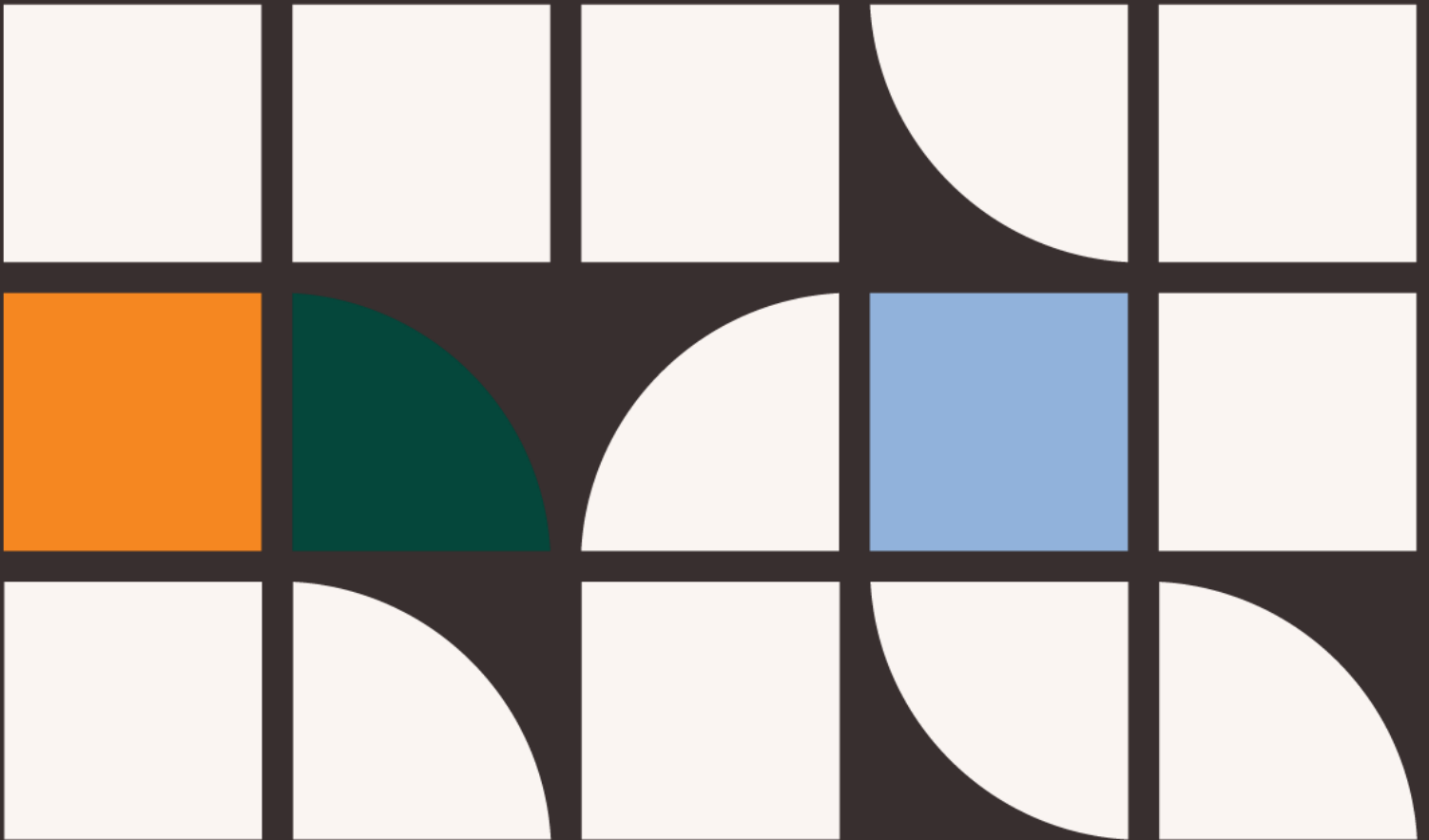




Woodville  
Litigation  
Funding

**Q&A**

**Accounts Year End 2023**



## Summary

Woodville Consultants are delighted to unveil their 2023 financial statements. These figures have undergone rigorous auditing by Xenadin, a renowned firm of auditors and accountants ranked among the Top 20 in the industry.

The company is thrilled with the substantial increase in investment in our notes from various countries worldwide. We are excited to announce that we have secured funding opportunities that will enable us to deploy an additional £300 million in 2025 into the litigation funding sector.

New company website is here: <https://www.woodville-consultants.co.uk/>

Woodville Consultants has now surpassed £190 million in Assets Under Management. They have made over £100 million in loan capital repayments to an investor base of over 4,500 individuals and corporations. Additionally, they have funded over 200,000 claims without a single default.

## The Accounts

Throughout this period, the company has continued to engage in litigation and finance activities that have yielded an operational profit of £4.79 million. They raised over £64 million in new investments and, through successful activities, have maintained a positive, healthy cash flow, making all due coupons and capital payments.

Director's salaries have been £180,000, and increasing staffing to 12 members has allowed for significant growth in the company's loan book.

Throughout the year, we encountered several FX changes, which have been accounted for and absorbed within our profit margins.

The insurance costs for Talisman performance bonds have also been noted and covered by the company.

## Company Achievements

It has been a record-breaking year for Woodville Consultants Limited.

We have highlighted 10 milestone achievements from below;

- Assets Under Management has surpassed £165 million, with over £50 million added to our loan book value in the last 6 months.
- Diversification of Investments – We have pivoted our business model into new claim types, backed by well capitalised banks and insurance companies.
- Zero Defaults – Over 200,000 claims have now been funded, zero defaults.
- Over £110 million – Repaid on loan capital to 4000 + investors globally.
- ISIN Notes – 2021, 2022, 2023, 2024 bonds repaid in full, and a total now of 17 series of bonds continue to meet their on-time payments.
- Staffing – staffing numbers increased from 7 to 12 at head office in Pontypridd, plus partnering with, SRA regulated lawyer and Car Finance expert David Goldstein.
- Implementation of AI – has helped massively reduce processing times, allowing for swift deployment of capital, minimizing cash drag.
- Positive company cashflow maintained, with £4.79m operational profit, appointment of major auditor, Xenadin.
- Onboarding of Institutional Investors including over 50 significant family offices, private banks and investment platforms spanning across every continent.
- Market Leading Products have been launched, including:
  - ILS ISIN
  - CHF ISIN
  - Sharia Note
  - Loan Notes in 15+ countries

**Q Other debtors - almost GBP 25m - more info needed on this - reference should be made to Note 20 (but it doesn't add up)**

**A** The other debtors value incorporates general other (trading) debtors, Loan to Gettasub, Loan to Treehouse Management Ltd and Loans to Integrity Protect 1 and 2. The Loans are disclosed in Note 20 - Related Party Disclosures.

**Q What is this income? Why not part of Turnover? This could cause alarm, as without this, the company is not successful**

**A** The other operating income comprises mostly (over 99%) of exchange gains. This cannot be classed as 'Turnover' as it is an accounting adjustment.

**Q Short Term (less than 1 year) - Money In v Money Out - the financials are showing a problem**

**A** The net cash position improved throughout the year. Cash and cash equivalents increased from 3.6m at end of 2022 to 11.5m at end of 2023. The negative operating cash flow was incurred due to an increase in debtors (loans out to law firms etc) but was more than offset by new funds raised from investors.

**Q Coupons payable to short and long term investors should appear in Interest?**

**A** The substantive nature of the business is to issue loans/ bonds and to use those funds to make loans to law firms. Correspondingly - cost of sales is composed of commission payments, loan interest payments and bond interest payments to investors. The vast majority of the 30,680,860 Other Direct Costs line are composed of Commission, Loan coupon payments and Bond coupon payments. The small amounts reported (<1k) in the Consolidated Trading and Profit and Loss Account with respect to interest receivable and interest payable reflect bank interest gains and losses and would not constitute a core component of the business.

**Q Commissions and related costs - ok for COS**

**A** The vast majority of the 30,680,860 Other Direct Costs lines are composed of Commission, Loan coupon payments and Bond coupon payments. Purchases are composed of Horizons Loan Interest, the Horizon loan arrangement fee and Horizon Loan Valuation fee.

**Q Interest / Coupons should appear in interest**

**A** The substantive nature of the business is to issue loans/ bonds and to use those funds to make loans to law firms. Therefore, Sales is comprised mostly of Interest due from law firms to Woodville. Correspondingly - cost of sales is composed of commission payments, loan interest payments and bond interest payments to investors.

**Q What was the basis for the £1.75M revaluation of investments in group undertakings? Was an external valuation conducted? And what do the fixed Asset Investment, consist of?**

**A** This valuation reflects the future dividends due from the subsidiary less costs to be recharged by Woodville to the subsidiary. The revaluation was discussed and approved with the auditors.

**Q The company generated a profit before tax of £4.8M but had negative operating cash flow of £54.4M. Can you explain the cash flow mismatch?**

**A** The cashflow will include the increase in funding as well as profit. See note 1 for a breakdown. Overall the net cash position improved throughout the year. Cash and cash equivalents increased from 3.6m at end of 2022 to 11.5m at end of 2023. The negative operating cash flow was incurred due to an increase in debtors (loans out to law firms etc) but was more than offset by new funds raised from investors.

**Q Please confirm the entities which form part of the consolidated accounts.**

**A** Woodville Consultants Limited & Horizon Legal Limited.

**Q What's the purpose of each entity and how are the loan books segregated and pledged against your different investors?**

**A** Both litigation funders, Horizon initially was a result of a segregated SPV for an institutional line of credit in late summer 2021.

**Q Other operating income/FX gains - consist of, £3m for 2023, £0 for 2022? What drove the gains and what risk controls and policies are in place to manage FX exposure, given both the substantial gains this year and the £3M loss the previous year?**

**A** We are now in the latter stages of discussions with a new partner of Hedging options.

**Q How confident is the Group that they will be able to cover its liabilities as they fall due?**

**A** The Group is confident that it can meet its liabilities as they fall due since the Group has the ability to sell parts of its loan book, receives regular settlements from non PCP claim types and further the imminent FOS scheme will result in the PCP book being largely repaid in 2026.

**Q How much of your debtors book is overdue or at risk of default?**

**A** The PCP book is partially overdue due to the current freeze until the FOS scheme opens in December 2025 but we do not consider the book is at risk of default.

The loans are backed by the law firms and the law firms remain liable for repayment of the loan even if the case fails. The law firms therefore cover any lost claims from their own reserves, further we also have the benefit of the ATE policy which can be claimed upon in the event a law firm did not repay.

**Q Have there been any debtor defaults to date – there is no bad debt provisions in the accounts.**

**A** There is no provision as we do not feel it is necessary. The loans are backed by the law firms and the law firms remain liable for repayment of the loan even if the case fails. The law firms therefore cover any lost claims from their own reserves, further we also have the benefit of the ATE policy which can be claimed upon in the event a law firm did not repay.

**Q Please provide an overview of who the related parties in Note 20 are, especially Gettasub Limited. Are all these intercompany loans, interest bearing, and if so, what are the terms?**

**A** Companies owned by AMB / P JL. Woodville has continued to act on behalf of IPL, due to the historic banking issues IPL suffered which led to the use of Gettasub and Treehouse accounts. The high level of transactions along with late interest (to 2022) on those loans (that were owed to IPL) has resulted in the large increase that you can see in the accounts.

**Q Could you please confirm whether any assets, shares, or ownership interests in the group of companies are pledged as collateral?**

**A** The loan books are collateral in the favour of each underlying note holder/investor. The shares are owned by AMB and P JL and are not encumbered. AMB and P JL own their own book which whilst pledged to their account they are technically not encumbered and can be sold if required.

**Q Overall Profitability & Margins**

**Turnover (on a rolling 12 month basis), has increased by over 60%**

**Debtors Book has increased by 43%**

**Liabilities have risen by roughly 35%**

**However, profit after tax has only increased by roughly 5%. This is heavily impacted by a hugely increased COS - Why is this, and what does this consist of?**

**A** Profits before tax was reduced to 4,799,083 (2022): (£6,517,594) however, it is worth noting that the comparative period was an 18 month period whereas the 2023 financial statements are for 12 months. If the 2023 financial results were extrapolated to 18 months, the Group would likely have seen profit growth when compared to the prior period.

**Q What was the number of litigations as of 27/12/2022, 27/12/2023, 27/12/2024.**

**A** There were no litigations or claims against the company on each of the dates set out.

**Q Why in BS current assets = 190,715,548? According to the disclosure 12. DEBTORS part of it = 119,023,207 - "Amounts falling due after more than one year:" - than it's non current assets. Now the net current assets (pls see the balance sheet) now = 94,504,429 and in case we exclude 119,023,207 it will be negative amount which can lead to insolvency. How did company addressed it?**

**A** The numbers in the accounts are the contractual maturity dates, what the figures do not/cannot take account of is the number of loans that are rolled over into new investments, we are established and understand the typical values of monthly roll overs and therefore can predict what cash is required to meet all liabilities as they arise. The company can also sell sections of the loan book to manage cash flow.

**Q Why company doesn't create allowances for Account receivables, loans? Also there is no info about impaired assets. What is the approach for assessing of allowance necessity impairment policy?**

**A** There is no provision as we do not feel it is necessary. The loans are backed by the law firms and the law firms remain liable for repayment of the loan even if the case fails. The law firms therefore cover any lost claims from their own reserves, further we also have the benefit of the ATE policy which can be claimed upon in the event a law firm did not repay.

**Q Related Party debtors as of 27.12.23 represented 24,848,335 and I suppose were included in the Other debtors (<1 year).**

**1. Was it repaid by related parties as of current date?**

**2. which rates do you apply for such kind of loans?**

**3. what was the business reason and terms ?**

**4. What is amount now? If significant please provide financial statement for these companies.**

**A** The RP Debtors were indeed included in other debtors < 1 Year.

**1)** No - as at current date the balances are not materially different to that disclosed in the accounts.

**2)** Historically interest was charged, but for 2023 no interest was charged.

**3)** Companies owned by AMB / PJL. Woodville has continued to act on behalf of IPL, due to the historic banking issues IPL suffered which led to the use of Gettasub and Treehouse accounts. The high level of transactions along with late interest (to 2022) on those loans (that were owed to IPL) has resulted in the large increase that you can see in the accounts.

**4)** As at the current date the balances are not materially different to that disclosed in the accounts.

**Q Money flow:**

**Stage 1. Attracted cash (bonds) => loans to legal**

**Stage 2. Coupons payments = > bond holders**

**Stage 3. Loans repayment + interests => Woodville**

**Stage 4. Woodville => bond liability repayment**

**1. how do you cover coupon payments?**

**2. how do you cover debt repayment in case of mismatch of timing between repayment of loans (legal case finalization) and time to pay for bonds?**

**3. As some legal cases will be lost and impaired how do you cover it to pay bonds obligations?**

**A** 1. From profit made on the interest we charge on the loans to law firms

2. The law firms remain liable for repayment regardless of whether the cases have been settled. We also have an unencumbered book that we can sell as do the law firms.

3. See above, and any lost cases will be covered by the ATE policy that is required on each case.

- Q What is the business reason for issuing loans to directors - "Directors' loan accounts" = 62754? Which rates were applied? What is the policy for accepting such kind of decisions**
- A** Decisions taken to authorise Directors loans are taken by the two Directors throughout the year. It is envisaged that these will be settled by later dividends. The balance of the directors loan is minimal when considering the size of the company.
- Q Concentration (share) of top 5 biggest debtors and legal cases in;**
- 1. Trade Debtors ( <1 Year )**
  - 2. Other Debtors ( < 1 Year )**
  - 3. Prepayments ( < 1 Year )**
  - 4. Trade Debtors ( > 1 Year )**
- A** We are not prepared to disclose in a public document our top 5 law firms and their associated debts. We have in the past which has led to direct approaches from competitors. However, our largest genre of claim type in both claim values and monetary amounts is PCP (Car Finance).
- Q Please add details for other Loans**
- 1. Business Nature**
  - 2. Terms ( Collateral or Not, Interest Rate )**
  - 3. Parties provided other loans**
- A** The other loans as disclosed in Note 16 relate to Loans provided by investors to Woodville split by term. The investors are numerous and the loans made in a variety of different currencies (the bulk of which however are GBP, USD , EUR). These funds are then loaned out to law firms as part of the business model.
- The coupon payment terms of the loans are as follows - 1 year, 2 year and 3 years.
- Q Which assets or liabilities are denominated in currency other than pounds and led to the net FX loss for 18 months? Which operations influenced.**
- A** Exchange rate assumptions using spot rate at the times foreign currencies were invested. Mainly EUR and USD. Note the gain for the 2023 year.
- Q Which companies included in consolidated FS and share of ownership in all. Please provide business description for every company, business role and share of ownership.**
- A** Woodville Consultants Limited and Horizon Legal Limited. Both jointly owned equally by AMB / PjL. Both operate in litigation funding.
- Q How does the legal case selection and risk assessment process for providing loans work ?**
- A** Please see Woodville Investment Process Map Document.
- Q What is included in:**
- Q Sales ( only interests rated accrued for loans issued for litigation? ).**
- A** Sales includes accrued interest for the year on loans to lawyers.

**Q Commission Received. Why there is no such income for 2023?**

**A** Because the contract where that income arose was not operative in 2023.

**Q Please add details and business nature for the following types AR**

**Q Trade Debtors ( only issued loans for litigations? )**

**A** The trade debtors value incorporates Cases acquired from law firms, Loans to Law firms and Interest Accrued with respect to those loans.

**Q Other Debtors**

**A** The other debtors value incorporates general other (trading) debtors, Loan to Gettasub, Loan to Treehouse Management Ltd and Loans to Integrity Protect 1 and 2. The Loans are disclosed in Note 20 - Related Party Disclosures.

**Q Prepayments**

**A** The majority of the prepayment balance is prepaid commissions.

**Q What specific expenses are included in;**

**Q "Other Direct Costs"**

**A** The majority of the 30,680,860 Other Direct Costs line are composed of Commission, Loan coupon payments and Bond Coupon payments.

**Q "Purchases"**

**A** Purchases are composed mainly of Horizons Loan Interest plus the Horizon loan arrangement fee and Horizon Loan Valuation fee.

**Q Directors' salaries is a fix salary or aligned with any KPIs? Which KPIs?**

**A** Fixed, reviewed annually.

**Q What is the range of interest rates do you define providing loans? What factors do you take into account?**

**A** We charge a standard 38% - 60% per annum. We consider whether the claim is a court based litigation which carries a higher risk of losing (which yields greater profits for the law firm and therefore can offer a higher interest rate) or a non litigated claim type which has a lower interest rate and also a lower risk.

**Q Consolidated Trading and Profit and Loss Account for the Year Ended 27 December 2023 - end of the FS. Net profit is not correct. Taxes missed, so here is a profit before taxes.**

**A** What the investor is looking at is a Trading Profit and Loss account, the purpose of which is to provide more detail on Trading Profit i.e Profit before Tax. Earlier in the accounts, there is a Consolidated Income Statement on Page 8, which does show Profit before Tax / Tax Charge / Profit after Tax in a Summarised format, and Other Comprehensive Income on Page 9 which is the Revaluation.

**Q When will be prepare audited FS as of 27/12/2024?**

**A** 2024 accounts are due by the end of September 2025.

**Q Please provide forecasts for litigation industry in UK for the next 3 – 5 years? Are you aware about any litigations or any practice which can negatively influence on the business of Woodville?**

**A** There is the well publicised Supreme Court Judgement on fixed commissions due July this year which will impact on this area of PCP claims. This however will not impact our current book due to the DCA element of our portfolio. The PCP industry is considered to be 30.4 million potential claims, if fixed comms cases are brought in by the Supreme Court that is expected to generate another 10-12 m claims and also lease agreements will generate another 16m claims. Asset finance (Secret comms on other finance agreements) is thought to be in the figure of approx 60 to as much as 100m claims. Business Energy is seeing a huge increase and the claims are expected to be around 5m.

The RTA industry is recovering well from the reforms now they have bedded in and we are seeing volumes rise.

The HDR industry will always be a smaller industry as the number of housing stock does not vary. However, we have been offered an exciting opportunity in this space which we are exploring at the current time. This would require approx. 200m of investment.

**Q Why the FS wasn't prepared for 3 financial dates?**

**A** Standard Accounting Disclosures only require the comparative year being shown.

**Q What maximum credit line do you have now?**

**A** If you mean what is the maximum we will loan out on a case that is £5,000, if you mean lines with our investors - £5m+ from a Family Office. Numerous pension funds and Trusts of £2m+

**Q What is the average legal case (months)?**

**A** 9 – 12 months for RTA Cases,  
12 – 18 months for litigated cases  
FOS scheme cases will be approx. 6 months



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5 Gelliwastad Road  
Pontypridd, CF37 2BP  
[info@woodville-consultants.co.uk](mailto:info@woodville-consultants.co.uk)