

## **PUBLIC SERVICE PROPERTIES INVESTMENTS LIMITED**

### **STATUS UPDATE FOR SHAREHOLDERS – October 2018**

- German tax filings have been completed and agreed with the tax authorities in respect of the last two entities owning properties in Germany. A tax refund of €23,065 was received in July 2018.
- Liquidation of the last two German entities is now in progress and should be completed before the end of the year.
- Warranties on the sale of the last two of the assets in Germany expire in March 2019. No communications or claims have been received since the sales completed in Q1 & Q2 2016. The warranties are primarily linked to title and are otherwise limited in nature.
- Warranty default insurance was last reviewed in 2017 and was potentially available for a minimum premium of €175,000 or £0.68 per share. There is no guarantee of the continued availability of the insurance without a further underwriting process. However, the insurer had previously stressed that the premium quoted was a minimum target.
- The management accounts reflect a net asset position of £891,982 at 30 September 2018 which equates to a net asset value per share of £3.92. Net assets are stated after provision of £30,000 for liquidation expenses. Final estimates to be confirmed.
- Cash at bank is stated at £932,967 at 30 September 2018.
- Administration expenses were £74,228 for the nine months to 30 September 2018 which equate to annualised costs of circa £99,000 compared to £247,000 for the year ended 31 December 2017 and £444,000 in 2016.
- The Directors consented to a 60% reduction in their fees effective from 1 April 2018.

#### **Next steps:**

1. In the absence of any communications from the purchasers of the last properties sold, the manager and Directors see little value in seeking warranty indemnity insurance now that the Company is within six months of expiry of the remaining warranty periods.
2. The Company will re-commence discussions with the prospective liquidator in the BVI setting aside sufficient funds for liquidation expenses and related expenses. Subject to consultation with the proposed liquidator, the Directors propose that the Company makes a final repayment of capital to all shareholders prior to appointing the liquidator.