

Unaudited Interim Results

for the Period from 28 November 2007 to 30 June 2008

Chairman's statement

The Company is pleased to announce its first set of interim results since admission to trading on AIM on 21 December 2007 ("Admission"). This report covers trading from the date of incorporation (28 November 2007) to 22 September 2008 and the interim results below cover trading to 30 June 2008.

I am pleased to report very satisfactory performance of the Company since Admission. When the Company was launched, many of the proposed investment structures had to be implemented and the market was largely untested. Nonetheless, during the past 8 months, Juridica Capital Management Limited ("JCML" or the "Manager") has begun to assemble a diversified portfolio – over \$45.2 million across 9 investments (10 cases) had been committed up to the date of this report – and has achieved a healthy return on one of these investments. The Manager is now firmly established in a number of legal markets in the US.

Results

During the period JIL reported total income of \$7.3 million. As at 30 June 2008, JIL had made five investments with an aggregate commitment of a maximum of \$29.05 million (the total amount invested or committed as at the date of this report was \$40.2 million). Furthermore, as announced on 4 July 2008, the Company had made its first return on investment – a profit of approximately \$3.5 million. After accounting for the cost of capital and due diligence, this represented a realised profit on initial investment of approximately 119%. The Company reported profit for the period of \$2.4 million which includes unrealised income of \$0.7 million. As at 30 June the Net Asset Value of the Company was \$152.4 million or \$1.905 per share (undiluted).

The Company had spent an aggregate \$0.3 million on due diligence as at 30 June 2008, representing approximately 1.2 per cent. of the value of the Company's aggregate commitments up to that date. This included legal opinions from experts in various US states, the UK, and Guernsey.

Over the reporting period, the Company reviewed its position on currency holdings and determined that it was most appropriate for the predominance of cash holdings to be dollar-

denominated. The Company transferred almost half its assets into dollars soon after launch and the balance in May 2008. Although a modest realised currency loss was reported as at 30 June 2008, this was partly offset by the higher interest rate on sterling denominated cash holdings achieved during the reporting period. As at 30 June 2008 the Company had £3.1 million of cash or cash equivalents and the balance of \$125.05 million in dollar denominated holdings. Since the period end the dollar has strengthened.

Investments since 30 June 2008

As at 16 September 2008, the Company had 8 investments across 9 separate cases with commitments between \$0.5 and \$12.0 million and an average commitment of \$5.0 million per investment. In many cases, JIL has ancillary rights to finance future cases. The total capital invested or committed by the Company on this date was a maximum of \$40.2 million (excluding the settled case) – just over a quarter of the capital raised on Admission. Of the total amount committed or invested, approximately \$19.0 million is in patent litigation licensing and enforcement activities, \$7.1 million is in international arbitration cases, \$12 million is bridge finance for a law firm, and \$2.2 million is committed to funding a shareholder dispute. Of the Company's 8 investments, only 3 relate to claims pending in whole or in part in the same jurisdiction.

Outlook

I have been encouraged by progress to date, and I confidently expect the Company will occupy a leading role in the emergence of the law financing market. As the legal market becomes more aware of the strength of the Company and as individual law firms become more accustomed to and understand the efficient and ethically compliant financial structures offered by the Company, we can look forward to increased demand for external financing of claims.

Lord Daniel Brennan QC

Chairman

Juridica Investments Limited

Investment Manager's Review

During the period since Admission the principal aims of the Manager have been to develop scalable underwriting systems and processes for the evaluation of claims, find appropriate cases for JIL to invest in, build a steady stream of cases to evaluate and establish itself as the leader in the emerging asset class of claims investments. Significant progress has been made on all of these fronts.

The Company has begun to invest in a wide variety of litigation and arbitration claims. Predominantly these have involved cases pending in US courts and international arbitration forums, although the Company has successfully also invested in other jurisdictions. During the past 8 months JCML has developed its systems and processes to streamline the evaluation of cases that meet JIL's investment and diversification criteria. Over 60 cases have been examined involving a wide variety of subject matters across multiple jurisdictions. At Admission, the Manager anticipated that there would be sufficient opportunity to deploy the net proceeds of money raised at Admission within 18 to 24 months from Admission. JCML believes it is now on track to achieve that target within 18 months or less.

The Market

The market for litigation funding claims finance is developing rapidly. The Manager has examined a large variety of cases and continues to receive referrals from a variety of sources, principally major US law firms. It is seeking to extend its marketing into both the legal market and the general counsels' offices of Fortune 500 companies. The Rand Corporation's Institute for Civil Justice has announced its intention to scope and in turn, study the litigation financing in the US and the UK and has invited the Manager to participate in this endeavour as a member of its Board of Overseers. With the exception of the market for intellectual property claims, the market is not yet well-developed. Many law firms and claimants are unaware of third-party funding as an option in cases and the Manager is actively seeking to help educate the US and UK markets about the rationale for, and role of, external capital. We believe that as the market for financing and acquiring portions of claims develops, especially in the current economic climate, access to and relationships with finance will become a big differentiator for many law firms. Notwithstanding the lack of market awareness, JCML has seen continuing and increased interest in its services, particularly in light of decreased levels of hourly billing due to the current economic environment.

The patent investment and enforcement market is active and becoming robust. It is estimated that approximately \$4 billion in aggregate capital has been raised to acquire and monetise patents in the United States. This is a significant and increasingly well-developed market evidenced by the development of patent brokers, live patent auctions and, potentially, a traded patent exchange. It is challenging to enforce patents without litigation and, accordingly, the market for financing patent litigation is strengthening and has a number of active participants. This activity is evident in the portfolio developed to date.

Outlook

In the coming months the Manager will be focussing on developing additional new cases in which to invest, as well as increasing awareness of both the Company's services and the viability of finance in the traditional legal market. In the latter part of this year, the Manager will begin to expand the business beyond the present network of the Manager, as well as continue to develop its position as a leader in law markets and finance.

We are looking forward to expanding JIL's portfolio and developing a sustainable market for law finance.

Richard W. Fields

Juridica Capital Management Limited

Independent review report to the Directors of Juridica Investments Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the period ended 30 June 2008, which comprises the condensed unaudited Income Statement, the condensed unaudited Balance Sheet, the condensed unaudited Statement of Changes in Equity, the condensed unaudited Cash Flow Statement and related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors of the Company. The directors are responsible for preparing the interim financial report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the Company's annual financial statements.

This interim report has been prepared in accordance with the basis set out in Note 2. As disclosed in Note 2, the next annual financial statements of the Company will be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The accounting policies are consistent with those that the directors intend to use in the next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the period ended 30 June 2008 is not prepared, in all material respects, in accordance with the basis set out in Note 2 and the AIM Rules for Companies.

PricewaterhouseCoopers CI LLP

Chartered Accountants

Guernsey, Channel Islands

19 September 2008

CONDENSED UNAUDITED INCOME STATEMENT
FOR THE PERIOD FROM NOVEMBER 28, 2007 (DATE OF INCORPORATION)
TO JUNE 30, 2008

	Notes	For the period from November 28, 2007 to June 30, 2008
		US\$
INCOME		
Interest income	2(f)	3,096,331
Realised gain on investments		3,490,487
Other income		714,455
Total income		7,301,273
EXPENSES		
Administration fees		131,562
Advisory fees		56,379
Audit		35,966
Bank charges		6,317
Directors remuneration	8(e)	229,216
Due diligence costs	2(c)	124,415
Foreign exchange loss		1,839,182
Legal expenses		7,081
Licence fees		4,696
Management fee		1,921,533
Marketing expenses		41,082
Options and warrants costs	2(p)	386,044
Registrars fee		8,477
Sundry expenses		98,538
Total operating expenses		4,890,488
Profit for the period		2,410,785
Earnings per Ordinary Share		
Basic		3.01 cents
Fully diluted		2.97 cents

CONDENSED UNAUDITED BALANCE SHEET AS AT JUNE 30, 2008

	Notes	2008 <u>US\$</u>
Non-current assets		
Available for sale financial assets	5	17,593,505
		<u>17,593,505</u>
Current assets		
Other receivables and prepayments	6	3,834,810
Cash and cash equivalents		131,167,188
		<u>135,001,998</u>
Total assets		<u>152,595,503</u>
Current liabilities		
Other payables	7	164,667
Total liabilities		<u>164,667</u>
Net assets		152,430,836
Capital and reserves		
Special reserve		150,169,960
Other reserve		(149,909)
Revenue reserve		2,410,785
		<u>152,430,836</u>
Total equity Shareholders' funds		<u><u>152,430,836</u></u>
Number of Ordinary Shares		<u>80,000,000</u>
Net Asset value per ordinary share		\$1.9054

The notes following form an integral part of these condensed unaudited financial statements.

**CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM NOVEMBER 28, 2007 (DATE OF INCORPORATION)
TO JUNE 30, 2008**

	Share premium US\$	Special reserve US\$	Other reserve US\$	Revenue reserve US\$	Total US\$
Net assets at November 28, 2007	-	-	-	-	-
Issue of shares	158,488,000	-	-	-	158,488,000
Formation expenses	(8,318,040)	-	-	-	(8,318,040)
Cancellation of share premium	(150,169,960)	150,169,960	-	-	-
Share option payment reserve	-	-	139,138	-	139,138
Warrant payment reserve	-	-	246,906	-	246,906
Fair value change in available for sale financial assets	-	-	(535,953)	-	(535,953)
Profit for the period	-	-	-	2,410,785	2,410,785
	-	150,169,960	(149,909)	2,410,785	152,430,836

**CONDENSED UNAUDITED CASH FLOW STATEMENT
FOR THE PERIOD FROM NOVEMBER 28, 2007 (DATE OF INCORPORATION)
TO JUNE 30, 2008**

	For the period from November 28, 2007 to June 30, 2008 US\$
<i>Cash flows from operating activities</i>	
Profit for the period (less unrealised gain)	1,696,330
<i>Operating profit before working capital changes</i>	1,696,330
(Increase) in trade and other receivables	(3,834,810)

Increase in trade and other payables	164,667
(Increase) in share option and warrant reserve	386,044
<i>Net cash from operating activities</i>	<u>(1,587,769)</u>
 <i>Cash flows from investing activities</i>	
Investments	(17,415,003)
<i>Net cash used in investing activities</i>	<u>(17,415,003)</u>
 <i>Financing activities</i>	
Issue of shares	158,488,000
Formation expenses	(8,318,040)
<i>Net cash from financing activities</i>	<u>150,169,960</u>
 <i>Net increase in cash and cash equivalents</i>	 <u><u>131,167,188</u></u>
 At November 28, 2007	 -
Net increase in cash and cash equivalents	<u>131,167,188</u>
 At June 30, 2008	 <u><u>131,167,188</u></u>

**NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM NOVEMBER 28, 2007 (DATE OF INCORPORATION)
TO JUNE 30, 2008**

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company is a closed-ended investment company incorporated under The Companies (Guernsey) Law, 2008 ("the Law"). The Law does not make a distinction between private and public companies. Shares in the Company were admitted to trading on AIM, a market operated by the London Stock Exchange, on 21 December 2007. The address of the Company's registered office is Bordeaux Court, Les Echelons, St Peter Port, Guernsey, GY1 6AW.

2. ACCOUNTING POLICIES

Statement of compliance

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). These interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS"), issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law and reflect the following policies, which have been adopted and applied consistently.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities and have been consistently applied by the Company.

(b) Available for sale financial assets

Unless otherwise determined by the Company, investments in claims will be categorised as available for sale financial instruments. The investments in claims will initially be measured as the cash sum provided to acquire an interest in a

plaintiff's claim or as the cash advanced to law firms under loan agreements ("Qualifying Agreements").

Interest on performing investments in claims will be recognised using the effective interest rate method as explained in Note 5. No interest will be recognised on non-performing investments in claims. Subsequent measurement of investments in claims will be at fair value utilising a fair value model developed by the Investment Manager. The principal assumptions to be used in the fair value model are as follows:

- Risk free rate of loan interest;
- Duration of each investment in a claim;
- Best estimate of anticipated outcome; and
- Effective interest rate on nominal value of each investment in a claim.

Movements in fair value arising from changes in assumptions related to each legal claim will be taken to the Income Statement. Movement in market based assumptions, due to market, credit and interest risk, will be taken directly to equity and only recognised in the Income Statement on finalisation of the claim.

Fair value will be reviewed quarterly on an individual investment basis. Events that will trigger changes to the fair value of each investment in a claim include the following:

- Changes in general US dollar interest rate assumptions (market assumption);
- Successful judgement of a claim in which the Company has an investment;
- Unsuccessful judgement of a claim in which the Company has an investment;
- Outstanding appeals against both successful and unsuccessful judgements;

- An investment in a claim is to be sold at a discount or to be settled out of Court by a binding agreement;
- Legal impediments to collectibility of claims (in the US Chapter 7 Bankruptcy or Chapter 11 Court Protection from Creditors); and
- An investment in a claim's case is dismissed with prejudice (meaning, it can never be re-filed anywhere).

Regular purchases and sales of available for sale financial instruments are recognised on the trade date, being the date on which the Company commits to purchase or sell the asset.

The best evidence of fair value of financial instruments at initial recognition is the transaction price (i.e. the fair value of consideration received or paid). Subsequent changes in the fair value any financial instrument is recognised immediately in the Income Statement.

(c) Due diligence costs

The due diligence costs attributable to cases that have resulted in an investment have been capitalised into the cost of the investment. Any other due diligence costs not directly relating to a claim investment have been expensed immediately.

(d) Translation of foreign currencies

All books and records of the Company are maintained in US dollars. Foreign currency transactions are translated into functional currency (US dollar) using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

The functional currency of the Company is the US dollar reflecting the primary economic environment in which the Company operates. The presentation currency for financial reporting purposes is the US dollar.

(e) Interest income

Interest income for all performing available for sale debt instruments and cash and cash equivalents is recognised in the Income Statement on an accruals basis, using the effective interest method.

The effective interest method is a way of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. In the case of assets this rate is the rate which takes the contract's initial value to the expected payout over the expected duration of the claim. The application of the method has the effect of recognising estimated income and expense on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating effective interest, the Company estimates cash flows (using projections based on Litigation experience) considering all contractual terms of the financial instrument and the likely outcome of the case.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at banks with a maturity profile of 3 months or less.

(g) Taxation

The Company qualifies for exemption from income tax in Guernsey under the Income Tax (Exempt bodies) (Guernsey) Ordinance, 1989, ("the ordinance"). Exemption has to be applied for and is granted subject to a payment of an annual fee, currently fixed at £ 600, provided that the States of Guernsey Income Tax Authority is satisfied that the Company complies and will continue to comply with the provisions of the Ordinance. The Company has been granted exemption for the current period and it is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exemption.

To the extent that any foreign withholding taxes or any form of profits taxes become payable, these will be accrued on the basis of the event that created the liability to taxation.

(h) Use of accounting estimates

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by management while applying the Company's accounting policies. The estimates are based on management's best knowledge of the events that existed at balance sheet date; however the actual results may differ from these estimates.

(i) Expenses

Expenses are accounted for on an accrual basis. Expenses for monitoring claims will generally be paid by the Investment Manager.

(j) Dividends

Dividends paid during the period will be disclosed in equity. A final dividend proposed by the Board and approved by the shareholders prior to the period end will be disclosed as a liability. Dividends proposed and not approved will be disclosed in the notes.

(k) Financial instruments

Financial assets and liabilities are recognised on the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the financial instruments. Financial instruments are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, they are measured as set out in Note 2(b).

(l) Other receivables and prepayments

Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(m) Other payables

Other payables are stated at their nominal value.

(n) Share capital

Ordinary shares are classified as equity.

(o) Share-based payments transactions

The Company engages in equity settled share-based payment transactions in respect of the services received from one of its directors and from Cenkos Securities ("Nominated Adviser and Broker") as set out in the Company's Admission Document. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The fair value of the share options is recognised in the Income Statement over the period that the services are received, which is the vesting period. The fair value of the options granted is determined using the Black-Scholes option pricing model, which takes into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating the fair value. Non market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of the services so that ultimately, the amount recognised in the Income Statement reflects the number of vested shares or share options. Where vesting conditions are related to market conditions, the charges for the services received are recognised regardless of whether or not the market conditions related vesting condition is met, provided that the non-market vesting conditions are met. The assumptions used to determine the fair values are, a risk free interest rate per annum of 5.22% which has been based on the UK FTSE Gilt Indices as at 30 June 2008 and a volatility rate of 15% per annum which has been determined using a price-weighted index of other companies with some similar characteristics to the Company.

(p) Impairment of assets

The carrying amounts of assets are assessed on a quarterly basis to determine whether there is any indication of impairment. If such indication exists, the Company estimates the recoverable amount of the asset, being the higher of the assets net selling price and its value in use. Any impairment loss is recognised for the excess of the assets' recoverable amount over its carrying value and the difference being taken to the Income Statement.

3. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new standards, amendments and interpretation to existing standards have been issued but are not effective for the financial year beginning 1 January 2008 and have not been earlier adopted:

IAS 1 (Revised), "Presentation of Financial Statements" (Effective from 1 January 2009)

IAS 23 (Amendment), "Borrowing costs" (Effective from 1 January 2009)

IAS 32 (Amendment), "Financial Instrument : Presentation" (Effective from 1 January 2009)

IFRS 2 (Amendment), "Share Based Payment" (Effective from 1 January 2009)

IFRS 3 (Amendment), "Business Combinations" (Effective from 1 January 2009)

IFRS 8, "Operating Segments" (Effective from 1 January 2009)

IFRIC 16, "Hedges of a net investment in a foreign operation" (Effective from 1 January 2009)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have relied upon the Manager's assessment of claim investments including the probability of success on the merits of each claim, likelihood of settlement and claim duration. This is most evident in the assessment of the effective interest rate applied to contracts entered into by the Company, as disclosed in Note 5 below. There has been no change in fair value of any Claim Investment.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in note 2, the directors have considered those factors described therein and have determined that the functional currency of the Company is the United States Dollars (US\$).

5. AVAILABLE FOR SALE FINANCIAL ASSETS

	2008
	US\$
Investments in claims	15,193,508
Investment in Juridica Capital Management Limited	2,399,997
At 30 June 2008	17,593,505

Claim investments have been accounted for using the effective interest method of calculation. Effective interest rates on these investments range between 7.44 and 25 per cent. At June 30, 2008 the Company had invested in five claims, one of which had a cost of US\$12.05m with a carrying value of US\$12.74m. One of these claims had been determined at June 30, 2008 resulting in a profit on the investment of US\$3,490,487.

The fair value of the Company's investment in Juridica Capital Management Limited was assessed as at 30 June 2008 to be \$2,399,997, a change in value of \$535,953.

6. OTHER RECEIVABLES

	2008
	US\$
Debtors	3,500,000
Prepayments and accrued income	334,810
	3,834,810

7. CURRENT LIABILITIES

	2008
	US\$
Other payables	164,667
	164,667

Commitments

Under the terms of some of its contracts, JIL provides a line of credit to counterparties. As at 30 June 2008, the maximum commitment under these lines of credit was \$9.8 million.

8. RELATED PARTY TRANSACTIONS

The principals of Juridica Capital Management Limited are Richard Fields and Timothy Scrantom.

(a) Management fee

The Company is managed by Juridica Capital Management Limited, an investment management company incorporated in Guernsey in which the Company holds a 15 per cent equity interest. Under the terms of the Management Agreement, the Company appointed Juridica Capital Management Limited as an Investment Manager to provide management services to the Company. The Investment Manager receives a fee based on the adjusted net asset value of the Company, payable quarterly in advance using the annual rate of 2.5 per cent. The adjusted net asset value is the net asset value of the Company at the relevant time, after accruing for the annual management fee but not taking into account any liability of the Company for the accrued performance fees and after (i) deducting any unrealised gains on investments (ii) adding the amount of any write downs with respect to investments which have not been written off and (iii) deducting the value of the Company's investment in JCML. The Investment Management fee for 2008 is based upon the Net Asset Value of the Company immediately after listing which was \$147.2 million.

(b) Investment in Juridica Capital Management Limited

The Company acquired 15 per cent of Juridica Capital Management Limited on Admission. The investment is measured at fair value. An impairment review has been performed as part of the fair value assessment and an impairment review will be carried out on an annual basis.

Each of Tim Scrantom and Richard Fields, Directors of JCML, acquired 50,000 Ordinary Shares in the Company (0.0625 per cent. equity interest each) as reimbursement of 100,000 pound sterling of pre IPO costs.

(c) Performance fee

The Investment Manager is entitled to a performance fee based on the adjusted net asset value (being the NAV of the Company before taking into account any performance fee payable less any unrealised gains on investments plus the value of any writedowns in any investments that have been written down but not written off) of the Company. The performance fee will equal 20 per cent of the annualised increase in the net asset value between a hurdle rate of 8 per cent and 20 per cent, furthermore a fee of 35 per cent of the increase over a hurdle of 20 per cent and 40 per cent and 50 per cent of the same increase over a hurdle of 40 per cent. The fees are subject to a high water mark such that no performance fee will be paid if the performance of the Company does not exceed the net asset value at the end of the previous year in which the performance fee was paid. Payment of the performance fee is subject to the condition set out in (d), below. For the purposes of calculating the performance fee at 30 June 2008, the adjusted net asset value was:

	As at 30 June 2008
Net Asset Value	152,430,836
Less unrealised gains on claim investments	(714,455)
Less carrying value of investment in JCML	(2,399,997)
Adjusted net asset value	149,316,384

(d) Trust account

Of the performance fee, 50 per cent of any payment within the first four years from the date of admission will be retained by the Company in a trust account. During that period if, at any given year end, the annualised increase in net asset value of the Company is less than 8 per cent, the Company may claw back 20 per cent of the difference between the actual net asset value and the net asset value assuming an 8 per cent increase from the net asset value for the previous period.

(e) Facility agreement and Collateral Account

The Company has entered into a facility agreement (the "facility") with which it agrees to loan to Fields Scrantom Sullivan PLLC ("FSS") money for funding cases in which FSS is to act under a Co-counsel Agreement. The Company expects to enter into loan arrangements with other law firms (which may include other law firms established by the Principals) on terms and conditions similar to those contained in the Facility. The Facility available to FSS will be for up to approximately 50 per cent of the net proceeds of the capital raised less any loans made to other law firms. The Facility will remain outstanding and available until the earlier of (i) termination of the management Agreement, (ii) the date on which Richard Fields and Tim Scrantom cease to own a controlling interest in FSS, (iii) the winding up of the Company, (iv) an event of default of the Facility documents, or (v) ten years from Admission. Under the Facility drawdowns may be requested by FSS from time to time up to the maximum principal amount, but subject always to approval by the Company in its sole discretion.

No more than \$ 10 million may be drawn down in respect of the same case investment (unless the Board agrees). The Facility documents contain limitations on the use of the proceeds and conditions to deployment of the Facility funds.

All net proceeds from Co-counsel Agreements entered into by FSS in connection with loans made to it by the Company will be paid by FSS into a segregated bank account and will first be applied to repay any default or accrued interest on any such loans outstanding between FSS and the Company, second to repay the principal amounts of all loans outstanding between FSS and the Company, third to pay agreed fees and costs to FSS and fourth to pay an annual facility fee to the Company. There is no obligation on the borrower to gross up the withholding taxes on payments due to the Company under the facility. Interest, principal and facility fees are only payable under the Facility to the extent that the relevant Qualifying Agreements generate revenues.

The Facility provides for a fixed interest rate of 25 per cent per annum on amounts borrowed payable in arrears and accruing on a quarterly basis. The annual facility fee due to the Company will be agreed between the Company and FSS on an annual basis and if the parties cannot agree then the facility fee will be 20 per cent of the amount borrowed. As security for the Facility, the Company will have a registered

lien on the assets of FSS, including revenues under the Qualifying Agreements, to the extent permissible under applicable professional ethics rules.

(f)	Directors' Fees	US\$
	Lord Dan Brennan	109,151
	Richard Battey	65,490
	Kermit Birchfield	54,575
		<hr/>
		229,216
		<hr/>

No bonuses or pension contributions were paid or were payable on behalf of the Directors.

Lord Daniel Brennan has an interest in 400,000 shares under a Share Option Agreement, details of which were disclosed in the Admission Document. These have been valued at US\$139,138 for which a provision has been made.

(g) **Cenkos Warrant**

Cenkos Securities plc has an interest in 800,000 shares under a Deed of Warrant Grant at a price of 130p exercisable until 21 December 2012. These have been valued at \$246,906 for which a provision has been made.

9. **FUNCTIONAL AND PRESENTATION CURRENCY / EXCHANGE RATES**

The financial statements are presented in United States Dollar ("US\$") which is also the Company's functional currency. The following rate was applicable as at 30 June 2008.

	Closing rate
Great Britain pounds (GBP)	1.9948

10. **SHARE CAPITAL**

Authorised share capital: Unlimited number of ordinary shares of no par value

Issued share capital: 80,000,000 shares were issued at a premium of £1 per share.

The Company's Capital is represented by Ordinary Shares of no par value and share premium. Each share carries one vote and is entitled to dividends when declared. The relevant movements on capital are shown on the statement of changes in equity.

Conditional upon Admission, the Company has been granted authority to make market purchases of up to 14.99 per cent. of its own issued Ordinary Shares following the conclusion of the Placing. This authority will expire on the earlier of 18 months from the date of grant of the authority and the conclusion of the first annual general meeting of the Company. A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at each annual general meeting of the Company. The timing of any purchases will be decided by the Board.

The Share Premium account of the Company was cancelled immediately following the conclusion of the Placing.

11. FINANCIAL INSTRUMENTS

The financial assets and liabilities including claim investments (see Note 2 above) are held at fair value.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Market risk/ liquidity risk

Apart from Claim Investments (see Note 2 above) there are no financial assets or liabilities held which presently give rise to market risk. The Company is exposed to liquidity risk. These investments are acquisitions of claims and interests in claims, as well as loans to lawyers to fund participation in claims on a contingency fee basis, and therefore require significant capital contributions with little or no immediate return and no guarantee of return or repayment. The market for such investments is not active and cash realisation of investments is only expected in the long-term.

Credit risk

The Company is also exposed to material credit risk in respect of the investments and Cash and Cash Equivalents. The credit risk of the Cash and Cash Equivalents is mitigated as all Cash is placed with reputable banking institutions with a sound credit rating. The maximum credit risk exposure represented by Cash, Cash Equivalents and Investments is as stated on the Balance Sheet.

Interest rate risk

The Company is exposed to interest rate risk related to its cash balances and borrowings. The Company does not actively manage this risk as it invests only in low risk securities.

Currency risk

The Company holds assets denominated in currencies other than the US dollar, the functional currency. It is therefore exposed to currency risk, as values of the assets denominated in other currencies will fluctuate due to changes in exchange rates. The Company may hedge future investment opportunities in the functional currency.

13. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

14. SUBSEQUENT EVENTS

There have been no subsequent events.