

Annual Report

2015



About RISA

Recovery and Insolvency Specialists Association (Cayman) Limited (RISA) has grown its membership base to 375 attorneys and restructuring professionals in 2015. It is now one of the 10 largest membership bodies in INSOL and has a seat on the INSOL board. RISA is focused on the development and representation of the insolvency and restructuring profession in the Cayman Islands as well as providing a great forum for networking and maintaining relationships within the profession.

RISA continued to see an increase in the number of onshore practitioners and those interested in offshore insolvency joining as members, particularly to enjoy the benefit of the technical sessions and opportunities to meet and network with the local practitioners. RISA has led the expansion of the representation of offshore insolvency interests with the establishment of a seat on the INSOL board for offshore chapters, in addition to that held by RISA Cayman in its own right. The RISA chapters in BVI and Channel Islands share the offshore seat with Cayman on a rotational basis, collaborating on a common position.

Objective

The objective of RISA is to support and promote the interests of those engaged in the insolvency and restructuring industry in the Cayman Islands by providing training initiatives, assistance and information to members of RISA to encourage best practices in the industry. RISA aims to promote discussion and exchanges of views within the insolvency and restructuring industry, facilitate training opportunities, lobby for changes of law and regulation, and to provide networking opportunities for the benefit of members and other related professional and educational groups.

Further, RISA has expanded its role and support of judicial education in the Cayman Islands by providing its judiciary with the opportunity and financial support to participate in judicial education initiatives, both locally and internationally.

Management

RISA is governed by a board of directors made up of four members, who also occupy the positions of the Chairman, the Deputy Chairman, the Secretary and the Treasurer. It carries out its activities under three Committees; the Education, Legal & Regulatory and Events committees.

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Report from the Chairman



Chair – Hugh Dickson

RISA is pleased with the results of its growth as a professional association and securing its representation for Cayman on the board of INSOL. Given the significant role offshore jurisdictions play in the development of modern practice and litigation, and the role our members play in INSOL's technical development activities, we are encouraged and enthusiastic about the benefits to RISA. We are already seeing the benefits in an increased recognition of offshore's importance in INSOL affairs, greater consultation over the educational content on INSOL's conference program and technical articles, and in our ability to be heard on modifications to cross border law and regulation. RISA is playing an active role in the INSOL's Taskforce 2021 which is a major strategic planning initiative to address an array of issues including membership growth, education, future member services and delivery, alliances & global co-ordination, governance, and advocacy.

The outreach program to extend membership to the London bar and hedge funds has proved successful, not only in increasing membership and revenue, but in providing additional sources for technical briefing and networking for members. The provision of sponsored briefings by London chambers has proven particularly successful both in financial terms and in the provision of high quality technical content.

We continue to collaborate with our colleagues in the Bahamas and Bermuda, assisting them with their efforts to establish their own RISA chapters, and the options for collaboration and co-operation between the various RISA chapters. We also support local causes, with significant donations to local charity, sponsorship of a local educational program in mathematics and free membership for local law students. Having established a solid financial footing we are exploring additional means of supporting the development of the profession and practice of insolvency on a sustainable basis.

RISA will continue to support the profession by facilitating commentary from the membership on changes and proposals affecting the laws, regulations and administration of the judicial system.

Direct representation on the Insolvency Rules Committee is a longer term goal, which has been approved in principle but awaits a change to the Companies Law. In the meantime RISA will continue to make representations to the Rules Committee via the Law Society and CISPA representatives, and any members identifying errata or issues with the current Rules or Regulations are encouraged to bring them to the attention of the Legal and Regulatory Committee.

Finally, the Education Committee will continue its efforts to keep the quarterly technical sessions topical and interesting, providing opportunities for both onshore and offshore leaders and experts to bring their knowledge and experience to the membership. Members with suggestions for quarterly presentations are welcome to raise them with the Education Committee directly.

Activities during the year



Past Chairman –Michael Pearson

RISA continued to be active in its efforts to organize and deliver the quarterly technical briefings and held the Christmas social. Further details of these events are described below.

In early 2015, RISA co-hosted a networking function with ABI at the Royal Palms. The friendly informal barbeque was well attended and enjoyed by all.

The first Quarterly Technical Briefing of the year was held on 29 May 2015. The presentation, LDK Solar Co., Ltd – A New Dawn featured a panel of speakers chaired by Eleanor Fisher (Zolfo Cooper), Sidley Austin, Jefferies, Campbells and South Square.

The second Quarterly Technical Briefing was held on 18 June 2015 bringing a one day refresher course training to the insolvency professionals. Topics presented included: Appointment/Removal of OLs and PLs; Post Appointment Actions; Case Management Issues; Dealing with the Estate; Voluntary Liquidations and Schemes of Arrangement. A number of firms assisted in the preparation of content and presentations including Mourant Ozannes, Grant Thornton, BDO, Conyers Dill & Pearman, Zolfo Cooper, Walkers and Ogier. The refresher course was followed by a networking event at Abacus.

The last technical session of the year was held on 24 November 2015 in association with South Square covering key issues and developments in restructuring, schemes of arrangement, directors' duties and insolvency litigation. Speakers for three case study based panel discussions included: RISA Chairman Hugh Dickson (Grant Thornton), Simon Conway (PWC), Matthew Crawford (Maples and Calder), Rebecca Hume (Kobre & Kim) Keiran Hutchison (EY) and Neil Lupton (Walkers). From South Square: David Alexander QC, Jeremy Goldring QC, Felicity Toubé QC, Antony Zacaroli QC and Adam Al-Attar.

Finally, RISA hosted its sold out annual members only Christmas luncheon at George Town Yacht Club in December 2015 with representation from virtually all the professional firms with involvement in the restructuring and insolvency field on the Island. The luncheon was enjoyed by all, providing a relaxed networking event to mark the end of a successful year.

RISA Governance



Secretary – Matthew Wright

RISA is governed by its executive committee. All of the Board members and existing committees stood for re-nomination and appointments to the committees were affirmed at the annual general meeting in March 2014.

For members information the current committee members and nominees are set out below:

Executive Committee:

Hugh Dickson –Chairman

Matthew Wright – Secretary

Margot MacInnis – Treasurer

Michael Pearson – Past Chairman

The Executive Committee convenes quarterly or as necessary to address the operational and governance matters including:

- RISA's role and offering to INSOL in furtherance of developing the industry and profession in Cayman;
- Oversight of event and technical offerings;
- Opportunities to sponsor and fund events and initiatives to further enhance and develop the profession in Cayman;
- Providing input and commentary on proposed amendments and implementation of legislation;
- Fostering relationships and participation with other international insolvency focused professional bodies such as INSOL, ABI, IWIRC and other RISA chapters.

Events Committee

Rebecca Hume – Kobre & Kim

Claire Loebell – Ernst & Young

James Plowright – Kinetic Partners

Jeremy Snead – Appleby

Yvonne Lorimer - Deloitte

The Events Committee have been successful in offering a number of informative and enjoyable events during the past membership year. This is a dedicated and hard working subcommittee with the

responsibility for the development, organisation and delivery of the events throughout the year. The Events Committee holds formal and informal meetings throughout the year.

Education Committee

Declan Magennis – BDO
John Royle – Grant Thornton
Fraser Hughes – Conyers Dill & Pearman
Richard de Lacy QC
Ian Gow – Zolfo Cooper

The Education Committee have met in excess of ten times during the past membership year which included 3 quarterly events with at least 2 meetings in the run up to each event and once afterwards. This does not include informal correspondence between committee members in organizing these events.

Legal and Regulatory Committee

Sam Dawson – Solomon Harris
Niall Goodsir-Cullen – BDO
Hector Robinson – Mourant Ozannes
Rob McMahon – Ernst & Young
Christopher Young – Forbes Hare

The Legal and Regulatory Committee provided input and considered amendments to the Consultation on Limited liability Companies Bill

Treasurer's Report



Treasurer – Margot MacInnis

RISA ended the year with \$49,307 in retained earnings incurring net income for the year of \$15,406. RISA's primary source of income is the membership fee, and in 2015 RISA saw its membership increase to 375. RISA continues to explore opportunities to financially support education and development of the profession and insolvency practice in offshore. In this respect, RISA continues to offer a series of technical events and these are generally designed to run at a break even position with the exception of the annual Golf day where the proceeds are donated to Cancer Society. This year the Golf day was held in early 2016 but RISA expect to be in a position to donate over \$8000 to the Cancer Society.

In accordance with our wider objectives of maintaining and improving the standards of Cayman practice, RISA continues to advocate for and support professional education amongst all participants in the field. RISA contributed over \$2000 to the mentoring program through John Gray High School in support of advancement of students in mathematics.

Income Statement

The gross revenue for the period was \$18,221 which was made up of \$14,667 in membership fees and \$6,854 in net inflows from the five events that took place. At the end of the year there was net income of \$15,406 and RISA had approximately \$49,307 in retained earnings.

Other than the event related expenses which have been accounted for under each event, there was approximately \$1,000 in other expenses consisting of bank fees, website, and company registry fees.

Below is a summary discussion of the activities that contributed to the income over the period.

Membership

The membership of RISA stands at 375 as at 31 December 2015 at the membership fee rate of US\$48 per member. RISA waived the membership fee for CIMA and law school students which amount to just over \$3300.

Statement of Financial Position

RISA was holding assets of \$49,407 as at 31 December 2015 consisting of cash of \$45,999 and outstanding subscriptions and event attendance fees of \$3,308. RISA had no liabilities as at 31 December 2015.

Income Statement

	2015	2014	2013
	USD	USD	USD
Income			
RISA Member Fees	14,667	10,449	9,202
RISA Annual Christmas Lunch	(2,380)	1,684	3,010
Seminar & Training	9,234	1,855	(94)
RISA Golf	-	6,154	4,076
Other			
Total Income	<u>18,221</u>	<u>20,142</u>	<u>16,194</u>
Expenses			
Judicial Education Travel	2,750	-	-
Sponsorship & Donation	2,195	5,840	4,076
Bank charges	223	251	379
Website Setup			4,710
Insol Cayman 1 Day Event			5,942
Formation, Incorporation, RO	<u>947</u>	<u>900</u>	<u>3,104</u>
Total Expenses	6,115	6,991	18,211
Net Income	15,406	13,151	(2,017)

Statement of Financial Position

	2015 USD	2014 USD	2013 USD
Assets			
Cash	45,999	44,128	21,040
Receivables	3,308	5,303	6,099
Total Assets	<u>49,307</u>	<u>49,431</u>	<u>27,139</u>
Liabilities			
Payables	-	15,530	13,573
Total Liabilities	-	15,530	13,573
Retained Earnings	33,901	13,566	15,583
Adjustment to Retained Earnings		7,184	
Net assets(2015 Income)	15,406	13,150	(2,017)
Total Liabilities & Net Assets	<u>49,307</u>	<u>49,430</u>	<u>27,139</u>
Membership Base	<u>375</u>	<u>285</u>	<u>214</u>