

Annual Report

2023



Annual Report 2023

	Page
About RISA	3
Co-Chairpersons' report	4
RISA governance	5
Committee reports	6
Treasurer's report	8
Balance sheet as at 31 December 2023	9
Income statement for the year ended 31 December 2023	10
Income statement by activity for the year ended 31 December 2023	11

About RISA

The Recovery and Insolvency Specialists (Cayman) Association Ltd. (“**RISA**”) continues to enjoy a strong membership base with 430 members at the end of 2023. RISA holds a seat on the INSOL Member Associations Committee and is one of the 10 largest members. 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 continues to attract onshore practitioners and those interested in offshore insolvency to its membership base and strong attendance at the quarterly training sessions. RISA works with both local and onshore firms to bring quality training programs to the members and the Cayman insolvency and restructuring industry.

Objective

To provide a forum for professionals drawn from the insolvency and restructuring background including legal professionals, accountancy professionals and others whose occupations include a significant involvement, at specialist level in the insolvency industry.

The objective of RISA is to advance knowledge and learning support and promote the interests of those engaged in the insolvency and restructuring industry in the Cayman Islands by providing training initiatives, conferences and assistance and information to members of RISA to encourage best practices in the industry.

RISA aims to undertake research and make suggestions and representations of a technical (strictly non-political) nature to governmental and other persuasive bodies to promote a better understanding 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. A representative of RISA sits on the Insolvency Rules Committee of the Cayman Islands.

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 six members occupying the following positions; Chairperson (or Co-Chairpersons), Vice Chairperson (as required), Secretary, Treasurer, Committee Liaison(s) and International Liaison. It is supported in its activities via the following committees:-

- Education
- Legal & Regulatory
- Social & Events
- Membership & Communications

Co-Chairpersons' report

As we look back on the year, we realise that the reason we both feel so tired isn't solely due to our advanced years. It is, at least partly, down to the enormous amount achieved by the members of RISA Cayman this year, due to your unfailing enthusiasm, indefatigability, professionalism and commitment. We thank you all, especially those who are kind enough to give their time serving on the various committees and hosting, running and supporting the many successful events that have taken place this year. We'd like to take this opportunity to thank our fellow board members for their support and commitment throughout the past year. The upcoming AGM sees both Nik Fox and John Royle stepping down from the board – we give particular thanks to them for their contributions to RISA over the years.

Some highlights for 2023/24 have included:

- The fantastically successful RISA/South Square conference in November 2023, which once again featured the highest technical content, was incredibly well attended and served as a great aperitif to the Cayman INSOL Conference which followed it.
- The enormously enjoyable annual Christmas party, which is settling in nicely into its new home at the Marriott and was once again, both well attended and a lot of fun. It was a pleasure to see so many of you there and on such good form.
- Our annual golf day, which is a 'must-attend' fixture in the Cayman insolvency and legal calendar and once again raised a terrific sum of money (US\$20,000) for some tremendous causes.
- The successful first and second years of the new INSOL International / RISA Cayman Introductory Certificate in Insolvency Law and Practice in the Cayman Islands course, which is going from strength-to-strength and features academic content that is both accessible and comprehensive and provides a fantastic training resource for our more junior members.
- Sterling work on cross-class cramdowns and a suite of template precedents produced by the Legal & Regulatory Committee, who have also produced comments on draft legislation and are cooking up other projects that should come to fruition next year.
- No fewer than 8 (yes, 8!!) educational events put on by the Education Committee, doubling the normal amount of 1 per quarter.
- A lively and highly enjoyable raft of social events arranged by the Social & Events Committee, including what we are told (but are too old to be able to experience first-hand) are some cracking Next Gen events that are quickly becoming firm favourites with our more youthful members. Who would have thought that pickleball would be so popular?

Looking back at all of this activity, we're confident that as we go gently into the night, RISA is very well placed to continue to thrive and serve its members remarkably well for a wholly voluntary organisation. And, with the recent engagement of a new service provider, Armstrong & Associates, our hope and expectation is that next year will continue to see improvements on the accessibility and logistical side, with corresponding improvements to our website (including our overseas guests being able to pay for their tickets to the annual November conference online, rather than by carrier pigeon). Hopefully this should free up some of our committees' time and also allow them to come up with more ways to improve our substantive content over the coming years.

As the Cayman Islands continues to go from strength to strength, we're delighted that RISA Cayman is doing the same. None of this would be possible without you and your efforts, for which we thank you sincerely.

Nicholas Fox and Martin Trott

RISA governance

RISA is governed through its board of directors and the following were elected at the Annual General Meeting on 9 May 2023, with appointments as allocated at the board meeting on 28 June 2023 shown in brackets:

- Nicholas Fox (Co-Chairperson and International Liaison)
- Martin Trott (Co-Chairperson and Treasurer)
- Cassandra Ronaldson (Secretary and Education Committee Liaison)
- John Royle (Social Committee Liaison)
- Spencer Vickers (Membership & Communications Committee Liaison)
- Iiona Groark (Legal & Regulatory Committee Liaison)

The board of directors convenes quarterly or as necessary to address the operational and governance matters of RISA including:

- RISA’s role and offering to INSOL in furtherance of developing the industry and profession in the Cayman Islands;
- 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.

Also at the Annual General Meeting on 9 May 2023, the following persons were appointed to the 4 committees:

Education Committee

- Farrah Sbaiti
- Adam Crane
- Graham Robinson
- Katie Pearson
- Mark Russell
- Richard Murphy
- David Lewis-Hall
- Prudence Pryce
- Tonica Williams
- Audra Graham

Membership & Communications Committee

- Grant Hiley
- Luke Burgess-Shannon
- Jennifer Fox
- Colin Patterson
- Patrick Sakowski
- Quentin Cregan
- Dan Coelho
- Ryan Murray
- Bryan Little
- Sam Keogh

Legal & Regulatory Committee

- Louise Sargison
- Rocco Cecere
- John Harris
- Michael Green
- Kai McGrielle
- Peter Hayden
- Sebastian Said
- Andrew Jackson
- Ben Hobden
- Paul Smith

Social & Events Committee (incl. NextGen)

- Bhavesh Patel
- Eli Reback
- James Eggleton
- Jamie McGee
- Paula Richmond
- Corey Byrne
- Carolyn Lum
- Robert Shifman
- Ross McLeod
- Nigel Smith
- Conal Keane

Committee reports

Legal & Regulatory Committee

- The Committee has worked with a group of Cayman Islands practitioners and UK and US counsel to prepare a paper considering the introduction of a 'cross-class cram down' mechanism for schemes of arrangement in the Cayman Islands Companies Act (2023 Revision). The Committee continues to progress this matter with a working group and has submitted a proposal for the formation of a sub-committee to the Financial Services Legislative Committee.
- Template precedents have been made available to members on RISA's website including Template Statement of Affairs, Liquidation Committee Guide and Template Remuneration Agreement. The Committee has also worked on relevant guidance on certain matters which is close to being finalised and shared with membership. The Committee has assisted the Board in responding to certain consultation processes for proposed changes to legislation, specifically, the Virtual Asset (Service Providers) (Amendment) Bill and the Beneficial Ownership Transparency Regulations and Guidance.

Education Committee

- The Committee has met quarterly throughout the course of the year to discuss and plan the technical sessions and other educational events for RISA's members.
- The Committee aimed to have 4 events (one a quarter) but we will have had 6 by the time of the AGM, with a further 2 planned, making a total of 8 educational events this year.
- The events planned and organised by the Committee which have taken place this year so far, and those that are in the pipeline for the coming months, are set out below:
 - 26 September 2023 Q3 Technical Session "View from the Bench" - this session was perhaps the most well-attended technical session we have seen in some time with some 200 people attending on the day.
 - 14 November 2023 RISA South Square (SSQ) Restructuring & Insolvency Conference – this conference was well-attended – we had 207 registrants with approximately 150 people attending either for the full day or part of it.
 - 20 March 2024 Q1 Technical Session "The Dirty End of Insolvency: Fraud and Asset Tracing" – Also well-attended with approximately 145 registrants of which around 60% attended.
 - 30 April 2024 Pump Court / RISA Practical Skills – Testimony and Depositions - There were 92 registrants for this session of which 55 attended.
 - 29 May 2024 Virtual Session Freshfields / RISA – Restructuring Update Part 1 (UK) Adler and Beyond

Membership & Communications Committee

- The Committee's activities over the past year have included:
 - Updated and maintained the RISA website, enhancing content and resolving issues in collaboration with service providers.

- Transitioned email communications to Mailchimp, improving the professionalism of distributions.
- Increased RISA's visibility through regular LinkedIn posts.
- Coordinated with Dominion on various membership-related issues.
- Assisted members and supported other committees with ad hoc requests.
- Maintained communication with the RISA board to align on strategic matters.
- Assisted with the transition of administrative services from Dominion to Armstrong & Associates (A&A).
- Conducted quarterly committee meetings to strategize and review progress.
- Worked with a graphic designer to create high-resolution RISA logos.
- The Committee's plans for the upcoming year are :
 - Continue assisting with the transition to A&A, focusing on implementing advanced tools to enhance website functionality and membership experience.
 - Collaborate with A&A to adopt best practices related to membership and communication, leveraging A&A's experience with other non-profit organizations to enhance the membership experience and bolster recruitment efforts for new members.
 - Develop a calendar of activities and communications to adopt a more structured approach to email distributions and LinkedIn engagement.
 - Coordinate with other committees and engage with members to collaborate and support initiatives.
 - Assist the RISA board in executing its initiatives and priorities for the upcoming year, ensuring alignment with strategic goals.

Social & Events Committee

- Over the past year, the Committee has hosted a number of events that have been well attended. Some of the highlights include:
 - NextGen events at GT Outpost and Pickleball
 - RISA Christmas Party with over 200 attendees
 - Charity Golf Day with over US \$20,000 raised for Cayman Cancer Society and over \$2,500 for Jasmine Hospice
 - A rum and cigar evening with the NAFER conference attendees
- The Committee will continue to host social events over the coming year with a potential event being looked at in September, and thereafter including more Next Gen events, the Christmas Party (12 December 2024) and the 2025 Golf Day.

Treasurer's report

Presented further in this report are the unaudited financial statements of RISA for the year to 31 December 2023 (the "Period"). RISA engaged the accounting services of Dominion Business Solutions Limited in support of producing these financial statements. After several years of assisting the Association, Dominion ceased its services on 31 March 2024 and Armstrong & Associates were engaged to provide accounting and administration support with effect from 1 April 2024. This is at an increased cost of US\$35,000 per annum however Armstrong's services will be wider and will include support of the committees' work.

During the Period, RISA had net income of \$4,807, which resulted in combined cash balances at year-end of \$155,103. Both of these balances are broadly similar to the prior year. The majority of RISA's revenue is generated from membership fees (\$49,826), which have not changed in the Period, remaining at \$110 per member, which includes an annual membership to INSOL. RISA maintains a strong membership of over 430 members.

The other main revenue stream is from technical events, being the RISA/South Square conference and quarterly technical sessions. RISA continues to explore opportunities to financially support education and development of the profession and insolvency practice in offshore.

The main social event of the year is the RISA Christmas party (6 December 2023) which had a net cost to RISA of \$3,830 and which proved to be an enjoyable and successful event, enjoyed by over 200 members and guests. The main fundraising event of the year was the 9th Annual RISA Golf Day (21 April 2023) which generated sponsorship of \$41,474 and enabled RISA to make charitable donations totalling \$20,000 to local charities.

Other notable expenses were INSOL International membership fees paid (\$24,800) and professional fees (\$22,988) for accounting, registered office and other general company expenses.

Martin Trott

RECOVERY AND INSOLVENCY SPECIALISTS (CAYMAN) ASSOCIATION LTD.

Unaudited Balance Sheet as at 31 December 2023

Stated in United States Dollars

	<u>Dec 31, 23</u>	<u>Dec 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Bank of Butterfield KYD	52,289	37,610	14,679	39.03%
Bank of Butterfield USD	102,814	117,037	(14,223)	-12.15%
Total Checking/Savings	<u>155,103</u>	<u>154,647</u>	<u>456</u>	<u>0.3%</u>
Accounts Receivable				
Accounts Receivable				
Accounts Receivable-Membership	(901)	2,491	(3,392)	-136.19%
Total Accounts Receivable	<u>(901)</u>	<u>2,491</u>	<u>(3,392)</u>	<u>-136.19%</u>
Total Accounts Receivable	<u>(901)</u>	<u>2,491</u>	<u>(3,392)</u>	<u>-136.19%</u>
Total Current Assets	<u>154,202</u>	<u>157,138</u>	<u>(2,936)</u>	<u>-1.87%</u>
TOTAL ASSETS	<u>154,202</u>	<u>157,138</u>	<u>(2,936)</u>	<u>-1.87%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	--	7,743	(7,743)	-100.0%
Total Accounts Payable	<u>--</u>	<u>7,743</u>	<u>(7,743)</u>	<u>-100.0%</u>
Total Current Liabilities	<u>--</u>	<u>7,743</u>	<u>(7,743)</u>	<u>-100.0%</u>
Total Liabilities	<u>--</u>	<u>7,743</u>	<u>(7,743)</u>	<u>-100.0%</u>
Equity				
Opening Balance Equity	53,301	53,301	--	0.0%
Unrestricted Net Assets	96,094	95,024	1,070	1.13%
Net Income	4,807	1,070	3,737	349.32%
Total Equity	<u>154,202</u>	<u>149,395</u>	<u>4,807</u>	<u>3.22%</u>
TOTAL LIABILITIES & EQUITY	<u>154,202</u>	<u>157,138</u>	<u>(2,936)</u>	<u>-1.87%</u>

RECOVERY AND INSOLVENCY SPECIALISTS (CAYMAN) ASSOCIATION LTD.

Unaudited Income Statement for the year ended 31 December 2023

Stated in United States Dollars

	<u>Membership Class</u>	<u>Total RISA Events Class</u>	<u>Total RISA Technical Sessions</u>	<u>TOTAL</u>
Ordinary Income/Expense				
Income				
Fees Earned-Technical Sessions	--	17,646.32	6,078.70	23,725.02
Fees Earned - Membership	49,825.67	30,381.13	--	80,206.80
Sponsorship Income	--	41,473.63	--	41,473.63
Total Income	<u>49,825.67</u>	<u>89,501.08</u>	<u>6,078.70</u>	<u>145,405.45</u>
Gross Profit	49,825.67	89,501.08	6,078.70	145,405.45
Expense				
Bank Service Charges	(1,033.36)	--	--	(1,033.36)
Charitable Contributions	--	(20,000.00)	--	(20,000.00)
Event Expenses				
Christmas Party Expenses	--	(33,061.46)	--	(33,061.46)
Golf Expenses	--	(17,694.27)	--	(17,694.27)
Other Events Expenses	--	(1,886.00)	--	(1,886.00)
Technical Sessions Expenses	--	--	(15,580.33)	(15,580.33)
Event Expenses - Other	--	(1,952.90)	--	(1,952.90)
Total Event Expenses	--	(54,594.63)	(15,580.33)	(70,174.96)
Insolvency Member Fees	(24,800.00)	--	--	(24,800.00)
Miscellaneous Expenses	(832.20)	--	--	(832.20)
Professional Fees	(22,987.86)	--	--	(22,987.86)
Sponsorship of Members	(770.00)	--	--	(770.00)
Total Expense	<u>(50,423.42)</u>	<u>(74,594.63)</u>	<u>(15,580.33)</u>	<u>(140,598.38)</u>
Net Ordinary Income	<u>(597.75)</u>	14,906.45	<u>(9,501.63)</u>	4,807.07
Net Income	<u>(597.75)</u>	<u>14,906.45</u>	<u>(9,501.63)</u>	<u>4,807.07</u>

RECOVERY AND INSOLVENCY SPECIALISTS (CAYMAN) ASSOCIATION LTD.

Unaudited Income Statement for the year ended 31 December 2023 by Activity

Stated in United States Dollars

	Membership	Networking Breakfast	NextGen	Xmas Party	RISA Golf Day	RISA South Sq Conf	Tech Session Q1	Tech Session Q2	Tech Session Q3	TOTAL
Income										
Fees Earned-Technical Sessions	--	--	--	--	--	17,646	--	4,609	1,470	23,725
Fees Earned - Membership	49,826	1,150	--	29,231	--	--	--	--	--	80,207
Sponsorship Income	--	--	--	--	41,474	--	--	--	--	41,474
Total Income	49,826	1,150	--	29,231	41,474	17,646	--	4,609	1,470	145,405
Expense										
Bank Service Charges	1,033	--	--	--	--	--	--	--	--	1,033
Charitable Contributions	--	--	--	--	20,000	--	--	--	--	20,000
Event Expenses	--	1,416	1,953	33,061	17,694	470	5,846	915	8,820	70,175
Insolvency Member Fees	24,800	--	--	--	--	--	--	--	--	24,800
Miscellaneous Expenses	832	--	--	--	--	--	--	--	--	832
Professional Fees	22,988	--	--	--	--	--	--	--	--	22,988
Sponsorship of Members	770	--	--	--	--	--	--	--	--	770
Total Expense	50,423	1,416	1,953	33,061	37,694	470	5,846	915	8,820	140,598
Net Income	(598)	(266)	(1,953)	(3,830)	3,779	17,177	(5,846)	3,694	(7,350)	4,807