

Case Ref: 2016-Comp-039

**GREGORY HUGH COLIN KING
(In Bankruptcy by Order of the Supreme Court of Gibraltar)**

**JOINT BANKRUPTCY TRUSTEES' ELEVENTH REPORT
(IN ACCORDANCE WITH RULE 227 OF THE INSOLVENCY RULES)**

We, Edgar Lavarello of PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar, and Adrian Hyde of Begbies Traynor, 31st Floor, 40 Bank Street, London, E14 5NR were appointed Joint Bankruptcy Trustees of Gregory Hugh Colin King (“the Bankrupt” or “the Debtor”) on 31 July 2017 by virtue of an Order by the Supreme Court of Gibraltar under Section 331 of the Insolvency Act 2011.

Our obligations under the Insolvency Rules are to prepare six monthly reports for the benefit of the Court, the Official Receiver and the Creditors stating: -

- a) the receipts and payments for the period;
- b) details of the assets realised and the assets remaining unrealised during the period and the reasons why the assets remaining unrealised have not been realised;
- c) the progress of our administration of the bankrupt’s estate and any matters in connection with our administration which we consider should be drawn to the Official Receiver’s attention;
- d) such other information as the Official Receiver may require.

This is our 11th progress report prepared in accordance with the Insolvency Rules and covers the period from 1 February 2023 to 31 July 2023 (“the Reporting Period”).

BACKGROUND

As previously confirmed, on 27th January 2014, Advalorem Value Asset Fund Limited (“Adval”) was placed into Special Administration by the Supreme Court of Gibraltar. The appointment followed a Financial Services Commission (“FSC”) investigation which found that Adval had misappropriated more than £7m of investments from UK pension schemes.

By way of a series of transactions, the Bankrupt (via a Gibraltar registered entity) misappropriated c.£6m of the monies invested into Adval, which ultimately lead to Adval issuing bankruptcy proceedings against Mr King following his failure to repay the funds expropriated from Adval.

On 31 July 2017, the Supreme Court of Gibraltar ruled that Mr King be adjudged Bankrupt.

RECEIPTS AND PAYMENTS

Detailed below is key information about asset recoveries and distributions that have been made during the Reporting Period. We have formulated and worked through a realisation strategy

that sought to maximise recoveries net of costs. A summary of our asset realisations is detailed in the enclosed Receipts and Payments account, which can be found at Schedule 1.

In addition, within schedules 2 and 3, we have included a breakdown of the receipts and payments incurred from our recoveries in Spain.

ASSETS REALISED DURING THE REPORTING PERIOD

11 Burnside Road, Glasgow (“the House”)

As previously advised, the Bankrupt was the beneficial owner of over 100 special purpose vehicles located in various jurisdictions including Gibraltar, Scotland, Isle of Man, Spain and the British Virgin Islands.

As part of our enquiries, several potential assets/ claims were identified. One of the most significant of these is the House. This property is owned by a company registered in Gibraltar named Belvedere Avenue Properties Limited (“the Company”). Upon review of the files relating to this company our view is that this entity is 100% beneficially owned by the Bankrupt.

The Bankrupt’s wife disputed our conclusions and issued proceedings in Gibraltar asserting that both the Company and the House belong to her, however, this claim was settled during an earlier reporting period. Consequently, we were free to sell the House for the benefit of creditors.

As reported in the previous reporting period, the House was marketed for sale and an offer of purchase was made and accepted. A sum of £381,894.73 was received as net proceeds of the sale for the House.

OTHER POTENTIAL ASSETS

Claims

As previously reported, we have identified a number of insolvency claims that could be brought against several 3rd parties. During the Reporting Period we continued to work with our solicitors and counsel to gather further material that may assist in successfully pursuing these claims and continued working towards establishing viable heads of claims. Due to the sensitive nature of these claims, it is not appropriate for us to detail these potential causes of action in this report at this time.

PROGRESS

As advised in previous reports, it is our firm belief that the Bankrupt has been uncooperative and had chosen not to provide a statement of affairs or any information pertaining to his affairs and business dealings, which is an offence under the Insolvency Act. The Bankrupt denies this assertion and claims on affidavit that he did provide a statement of affairs (which simply did not reach us). During the Non-Discharge Application (as defined and discussed below), he provided a statement of affairs, and a completed questionnaire. We do not believe that either of these are of any real use or assistance, and it is our view that they simply serve to support our ongoing belief that he has been deliberately uncooperative.

Non-Discharge Application

As previously reported, pursuant to Section 409 of the Insolvency Act, the bankrupt would have been automatically discharged from the bankruptcy at the end of the three-year period i.e. 31 July 2020. We applied to the Supreme Court of Gibraltar for an extension of the bankruptcy period. On 10 March 2022 Mrs Justice Ramage Prescott refused our application (“the Ruling”) which had the effect of releasing the Bankrupt from Bankruptcy. Upon taking legal advice from senior counsel, we filed an appeal to the Ruling which was heard on 10 and 11 October 2022. We can confirm that on 11 January 2023 the Court of Appeal issued judgment in our favour.

This in effect extends the bankruptcy period of the Bankrupt for a further year from the date of the order.

OFFICIAL RECEIVER

The Official Receiver has not sought any information from us during the time that we have been in office.



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EDGAR C LAVARELLO
Joint Bankruptcy Trustee

Dated this 21 November 2023

SCHEDULE 1

Gregory King - In Bankruptcy (Trustees account)
Receipts and payments for the period 1 February 2023 to 31 July 2023

	GBP	EUR
Receipts		
Asset realisations	386,761.36	0.00
Dividend	0.00	0.00
Legal fees	0.00	0.00
Miscellaneous receipts	0.00	0.00
Refund	58,290.54	0.00
Payment	0.00	0.00
Company management	0.00	0.00
Professional fees	0.00	0.00
Total receipts	445,051.90	0.00
Payments		
Trustee fees	111,767.64	0.00
Legal fees	175,819.28	12,417.41
Asset realisations	0.00	0.00
Professional fees	48,368.32	500.00
Notary and registry fees	0.00	0.00
Vehicle expenses	0.00	0.00
Bank charges	386.00	0.00
Disbursements	0.00	4,656.42
Company management	0.00	0.00
Registry	108.00	0.00
Data management	0.00	0.00
Total payments	336,449.24	17,573.83
Net receipts / (payments)	108,602.66	(17,573.83)
Dividends paid	(177.25)	0.00
Balance as at 1 February 2023	298,515.02	172,537.03
Balance as at 31 July 2023	£406,940.43	€154,963.20

SCHEDULE 2

Gregory King - In Bankruptcy (Rivendel S.L)

Funds held in the client account of BCP International Law Firm

Receipts and payments for the period 1 February 2023 to 31 July 2023

	EUR
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Receipts	
Asset realisations	0.00
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Total receipts	0.00
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Payments	
Legal fees	7,260.00
Asset expenses	0.00
Notary and registration fees	0.00
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Total payments	7,260.00
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Net receipts / (payments)	(7,260.00)
Interbank payment	
Balance as at 1 February 2023	174,138.38
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Balance as at 31 July 2023	€166,878.38
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SCHEDULE 3**Gregory King - In Bankruptcy (Whitelight Investments S.L.)
Funds held in the client account of BCP International Law Firm
Receipts and payments for the period 1 February 2023 to 31 July 2023**

	EUR
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Receipts	
Asset realisations	0.00
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Total receipts	0.00
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Payments	
Legal fees	5,157.41
Professional fees	500.00
Vehicle expenses	0.00
Disbursements	4,656.42
Notary and registration fees	0.00
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Total payments	10,313.83
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Net receipts / (payments)	(10,313.83)
Interbank payment	
Balance as at 1 February 2023	(1,601.35)
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Balance as at 31 July 2023	(11,915.18)
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