

**Statement by Councillor McKee to Council on 17<sup>th</sup> February 2014**

**Investments at Risk – Landsbanki Auction**

On 30<sup>th</sup> January 2014 this Council, together with over 80 other local authorities, sold its claims against the insolvent estate of Landsbanki Islands. The claims were sold through a competitive auction process. The price at which the claims were sold was based on a reserve price set by Braintree District Council on the basis of legal advice received from Bevan Brittan and financial advice procured by the Local Government Association and our own analysis of the financial position. The proceeds of the sale were paid in cash in Pounds Sterling on 4<sup>th</sup> February

The sale means that we have recovered £2.869million (or 95.65%) of the £3million that we originally deposited with Landsbanki in 2007 and 2008. We are delighted that we have recovered a very large portion of our Landsbanki deposits. The sale of our claims means that we have realized our funds earlier and eliminates the risk and uncertainty regarding future distributions and foreign exchange rates.

This now leaves two outstanding issues:

First, we are expecting further distributions in respect of our £1million deposit with Kaupthing Singer and Friedlander, to-date we have received £838,500; and

Second, part of the repayment of our £1million deposit with Glitnir was made in Icelandic Krona and this is being held in Iceland due to currency controls in that country. The Local Government Association is working on ours and other local authority's behalf to get these funds repatriated at the earliest opportunity. To-date we have received £836,500 in pounds sterling. The approximate value of the monies held in Iceland is £213,000.

The total amount recovered to-date is £4.545million with approximately £213,000 currently held in Icelandic Krona in Iceland.