Mr Nikhil Rathi
Chief Executive Officer,
FCA
12 Endeavour Square, London, E20 1JN
Email: Complaints.scheme@fca.org.uk

16 May 2022

Complaint to FCA – Wellesley Group - REF: 207138513

Dear Mr Rathi,

I write to you as a member and Chair of the Wellesley Investors Action Group (WIAG) along with my Administration colleagues whereby we fully support the complaint and initiative with the FCA and Insolvency Services by our Group. I have noted the above reference for our complaint for ease of reference.

We are pleased that the FCA see fit to investigate the activities of the Wellesley Group, but once again we are very disappointed with latest email news from your investigation team dated 31 March 2022 of a further deferral. This complaint has been in place since December 2020 after first writing to the FCA in October 2020 where we received a totally unacceptable reply. 18 months have passed since we first wrote to the FCA. I refer you to page 15 of this detailed letter and report for the history of our contact with the FCA regarding Wellesley Group.

I and all members of WIAG appreciate the FCA undertaking this investigation having a wide and extensive financial sector remit to cover. It is clear, that not all matters are open and obvious, many moving parts to uncover, when reviewing such a complex and evolving operations in the UK financial market sector. We do have sympathy with your plight given the significant increase in the level of scams and scandals that are so pervasive in the UK financial sector today. Having said this, your organisation is the main regulatory authority responsible, which investors/consumers rely upon to carry out their duties.

We would also expect the FCA to work alongside other governmental agencies such as the Insolvency Services, and other professional organisations in your supervision and regulatory duties.

We, as a Group of investors in Wellesley products have carried out extensive research in and around the Wellesley Group since the CVA was landed in September 2020. We are shocked at what we have found so far. As an investor in Wellesley products, it is extremely disappointing the regulator being the FCA and the Insolvency Services have not acted much earlier in the development of this Group in such a way as to protect both existing and future investors.

We have recently cc 'd you and Mark Steward in emails via WIAG Admin who have asked for a ZOOM meeting with Supervision and Enforcement. This request has been declined. A telephone conference call was however offered by the FCA investigation staff. This has now been retracted on grounds that a proposed draft agenda to assist both sides to talk about matters was considered not acceptable. WIAG ADMIN were happy to dispense with such agenda, but the FCA have now decided to not allow any dialogue between both parties as notified on the 10 February 2022 by your investigators.

We thought it was now time to write to you formally and lay open all our thoughts and concerns in this open letter.

We intend to circulate this open letter to our local MP, and also the HM Treasury, to whom your organisation ultimately reports to, but firstly, we thought we should write to you and the two FCA investigators handling our case in the first instance.

It has been suggested by the FCA, if we are unhappy so far with our complaint handling, we can refer to the Financial Regulators Complaints Commissioner (FRCC). At this stage, as we have not had any real meaningful response from the FCA, so we have decided to reserve this matter until we get a full and complete response from the FCA. We will of course consider the FRCC, but we do have some concerns here, in that this body is financed by the FCA; a little too close for comfort in our opinion to be fully independent. We understand this is also recognised by HM Treasury and is to change at some future date.

As you are aware we have liaised with the FCA, and also the Insolvency Services (as suggested by the FCA In our early calls to your organisation when the complex Wellesley CVA arrived) asking for both governmental bodies to intervene and provide consumer support around the failure of the Wellesley Group, which ultimately led to the CVA being issued to investors on the 25

September 2020 by Wellesley Finance PLC, (now Ltd), one subsidiary of several within the Wellesley Group. The CVA nonetheless cynically dragged in all entities within the Group.

Just for information, and as a matter for the record, as at today WIAG has over 600 members (including partner investors, of which 328 members currently have confirmed their support of our representations to the FCA, as orchestrated by WIAG Administration. We, as a Group of fair-minded investors, have voluntarily and proactively provided extensive on-going information to your loyal servant investigators, Alexander Curlett, and more recently, Lauren McClory.

We need to emphatically stress at this point that Wellesley does need to be viewed from a Group perspective, not just in isolation of one particular entity; it is the sum of the parts that is our concern and also the multiplicity of the issues we have found that clearly show that matters were not as they have purported via their marketing and promotional activities.

In our opinion Wellesley has removed considerable value from investors. This has been achieved by actively and knowingly trading whilst insolvent amongst other highly serious matters, including Ponzi activities.

Wellesley did not want to engage with investors at the time of CVA, and now the CVA is approved, we have exhausted our efforts with them.

Wellesley Group have consistently overtraded via their complex group.

They have maintained and delivered late and inconsistent, inaccurate and curious accounting.

They have misled investors, with deception and hidden truths in structural documentation.

Lastly, but not least, the loan book sale by the trading entities of the Wellesley Group to a newly formed SPV, namely Cloverleaf 376 Ltd, just days before the CVA was issued on the 25 September 2020 is a sale for substantially less than its current realisable value. It is purported by Wellesley, this was done in the best interest of creditors, offering 10% over the loan book marketed by Wellesley. We believe this was done to purposely restrict the amount of capital to be paid back to investors, as a significant amount is to be retained and used in the on-going business of Wellesley Group. This is also at odds with their stated aim to fund the business moving forward via institutional investors, at the same time taking value from investors to fund themselves via the CVA.

The level of cash being removed is beyond what could be considered necessary, and in all honesty the working capital of the business should not be funded by investors, it should be funded via profits earnt and capital injections of the owners and institutional investors moving ahead.

The FCA, we believe issued a VREG days before this LBS was carried out. The FCA appears not to have been informed that this was to happen. It is clear, the FCA does not agree with this. We are unsure whether you were kept in the loop by Wellesley? The transaction of the LBS, is in our opinion a breach of the VREG issued of the FCA issued on 10 September 2020. By selling the LBS to themselves, it has also prevented the full disclosure within the CVA of this LBS transaction. We also believe the LBS is a fake and is an artificial transaction, not required and we believe this transaction has compelling justification to be overturned as it is claimed to be outside of the CVA as well?

Wellesley Group has also acted atrociously in the running of the Wellesley empire, by misleading investors and using funds inappropriately since 2016. It has misused its FCA regulatory status, failed to report accurate and timely accounts, and has knowingly disclosed incorrect information. More importantly, it has clearly traded illegally while insolvent. There is a raft of other issues, including breaching the VREG, FCA PRIN.2,1 and the Companies Acts 2006. This is not an extensive list, just an overview of the multitude of matters at the heart of our complaint to the FCA. More details are provided below.

For the benefit of all readers of this communication, Wellesley has deprived investors of capital and interest losses on their investment. We estimate investors will lose £63.2m from the amounts owed of £134.7m via three trading entities, namely Wellesley Finance PLC (WFP), Wellesley & Co Ltd, (WACL, and Wellesley Secured Finance PLC (WSFP), all parties involved in the CVA.

Via our review set against information and evidence collected, it is a scandal, comparable with LC&F and others of late.

It is materially evident when you look at the returns of capital to s2/s3 WFP mini bond holders, cash return of 1p/£, or 25% via preferred shares route, payable in December 2023 and December 2024 in equally instalments. This cannot be legal or correct. All investors were unaware that our funds were being used to prop up the cash flows, funding losses of the Wellesley Group and not being used for secured investments. In effect the WFP mini bonds later issues were a de-facto Ponzi scheme.

Having reported all matters to both the FCA and Insolvency Services, we must say all WIAG investors, are far from happy with the progress we have seen thus far from both organisations, in the handling of matters in and around our complaint. The Insolvency Services are saying the FCA are handling matters and that their powers are too draconian and crude to effectively handle this scandal in the interest of investors.

From recent emails and correspondence with investigating officers of the FCA, we note that your progress appears to us as almost non-existent and glacially slow after circa 2 years. Very little is being offered from your side by way of progress into this scandal of Wellesley, since it became apparent in September 2020 via the CVA. Over 2 years has lapsed since we contacted the FCA and IS without action being taken.

Each reply we received is bland, uninformative and non-communicative.

We can only conclude the FCA and IS are not doing anything to address the serious catalogue of issues at the heart of our complaint, now fully spelt out in this fuller communication.

Many WIAG investors have now also decided to file the "call for evidence" with APPG concerning the FCA. It has been suggested the FCA is regarded as "not fit for purpose", and to be frank, we do not have faith in your organisation and its senior management, including previous holders of high position. We feel our regulatory bodies have failed to act in a way to protect consumer interest in many cases of late, who are the real casualties of the unscrupulous activities of businesses that fail under your regulation and supervision.

There has been a catalogue of cases where malfeasance in business have been noted of late, for example, LC&F, Basset & Gold, Blackmore Bonds, Lendy Ltd and Connaught Income and more recently LF Woodford debacle. The FCA do appear to arrive late, do nothing to protect investors and handle matters without clear leadership and supervision. On the contrary, they appear to make matters worse from our assessment and cause more harm to investors with poor actions and a lack of care in carrying out your duties. This is noted in the Wellesley case now.

We will now pass this letter and enclosures to our local MP as a comprehensive outline of events and we will ask them to **collectively** take this up in Parliament and with the HM Treasury should we not hear back from you shortly.

Please remember, the failure to return investor's money by this organisation is in fact a crime, no matter how it masquerades and veils itself behind pre-meditated and contrived CVA, Covid 19, and the FCA closure of their activities via banning their ability to raise finance through mini bonds since Jan 2020. The primary damage was clearly done much earlier, played out by the loss-making Wellesley Group since inception to date.

Investors do expect regulators to regulate, and not allow the so called **"unsustainable issuers"** a term the FCA has used to describe players who are not fit to run business. We fail to see how financial markets allow unregulated players to play. All should be, FULLY regulated before they can operate in our financial markets. This should be legal requirement and entities should not be allowed to hide behind this halo of regulation, which Wellesley has clearly operated and done.

As stated, we have also made contact with Insolvency Services who have declined to do anything after writing to them on the same issues as suggested by the FCA. They claim the FCA are leading matters, and their powers are too draconian and unsophisticated to handle the Insolvency issues of Wellesley. This is the Insolvency Services saying they cannot handle an insolvent business? This is unacceptable, and again shows both organisations in a very poor light. FCA and IS, who should be collectively working together to deal with matters in around the trading whilst insolvent, resulting in the misuse of investor's funds by the Wellesley Group.

For information, we have been reliably informed that Wellesley accounts for Group filed over 1 year late and would not be signed off by the auditors for the year end 31 December 2018. This has been confirmed to us by a whistle blower who was prepared to talk with us.

The Group accounts were filed on the 15 October 2020, after the CVA was delivered to investors as a fait accompli solution. We were denied any voice via a creditors meeting. Clearly, this needed the attention of the FCA/IS to prevent the continuation of this business that was not viable much earlier in its lifespan. It does appear the auditors are not keen to report matters more quickly to our authorities. This is calling out for change and full disclosure to authorities at least. You only have to look at Carillion PLC debacle here to see the merit of an early warning system being put in place.

Also, the FCA and IS appear not to be looking in the right direction, the fundamentals of business, it structures, to see this is going horribly wrong for consumers who are being cynically and consistently fed mis-information and lies.

Below, we have provided some key information in around the Wellesley Group, which does show the abject failures of this business. The summary of this is supported by the extract in APPENDIX C, which shows the restated accounts of Wellesley Group Investors Ltd since inception.

1. Wellesley Group losses before tax since inception to 31 12 2020 amount to a staggering £43.2m (adjusted for £37.5m profit from investors noted in 31 12 2020)
2. They have not made any net profit in their business in any year since inception from a Group perspective.
3. Losses now reported on the loan book failures are £33m to 31 12 2020, which is up £10m in the 2020.
4. Investors to be paid back £61m in cash and possibly a further £9.7m via preferred shares issued in WFP in Dec 2021 which may be redeemed in December 2023/24 via a cash return.

Recently, a default in the CVA Payment Plan was notified to investors on 22 Dec 2021. This has now been extended to 14 April 2022. We estimate £9m has **not** been paid by 31 December 2021. We have written to Wellesley without an adequate reply. We have also written to the supervisors Kroll, who have replied on the 10 March 2022. Kroll claim the CVA has now finished and the payment from the LBS is independent and outside of the CVA. They claim this is being managed to completion with WST involvement and is expected to complete on the 14 April 2022. Over 70 members have received this obscure reply from Kroll. We also were advised by Wellesley the delay of 60 days was allowed per the LBS, but they refused to supply evidence of this. They seem now to accept this is a default, although the trustees/director of Wellesley Secured Trustees do not wish to take action against Cloverleaf 376 Ltd, claiming this is not in the interest of investors.

Since then, Investors were not paid on the 28 February 2022, nor on the 14 April 2022, payment terms have now moved again. The WSFP investors will now be paid 80% of the December 21 payment on the 21 April 2022 and the balance by 18 May 2022. The receipt for of the funds for investors will be early May 2022 and June 2022.

Other investors, namely p2p and WFP s1 mini bond investors have been advised payment will be now be made in a "few weeks" which now appears to have been made on the 29 April 2022. The messaging to investors has been contradictory, misleading and ever changing as with most of Wellesley marketing and communications. The payment delay seems to be an issue caused by delays in the collection of two loan book debts. We have written to the FCA on this issue recently as well, as expected we have had no reply to this as well.

In respect to WIAG information and evidence of mal-practise, we have provided ample to the FCA and below we have summarised more questions we want to ask of the FCA on top of the 17 points outstanding as advised to Alexander Curlett on 8th August 2021. The full list of questions (Q1-Q33) can be found on PAGES 6-13 of this letter.

PAGE 14 – Has a summary of terms in use to assist other readers of this open and powerful representation.

PAGE 15 - We have also supplied our detailed contact log with the FCA to this date. This shows, how much work and time we as investors have had to do. We have also a similar level of contact with the Insolvency Services, and it is clear we cannot rely on either the FCA regulator or the Insolvency Services.

We have added some APPENDICES A, B, and C as supporting evidence on PAGES 16-19.

We appreciate investigations do take considerable time.

We fully understand s348 of the FSMA requires the FCA to protect confidentiality of the state of play of any investigation and your response to our complaints.

We also understand, that you cannot answered our complaint issues, significant and time dependent as they are; until such time your investigations have been completed and any actions that are considered necessary to be taken on the subject entities are underway.

Our concern is the glacially slow period taken by your organisation, its failure to understand the impact on investors, who may have lost a significant proportion of their life savings by unscrupulous behaviour as conducted and witnessed in the Wellesley Group. who are now attempting to hide behind an "all forgiving" CVA?

As testimony to the above paragraph, we would like to give you some further insight.

WIAG have many members who are in retirement, or working towards this aim. We know of several members who have lost significant sums of capital ranging from £50,000 to £100,000. These are life-saving amounts for many. One investor had £140,000 invested, and was told he will be lucky to get back £81,000 from Wellesley Support. Another investor is 80 years of age and has lost £70,000 and is concern whether he will be around long enough to see proper justice served.

Other have vested smaller amounts, put aside funds for son/and daughter progression in their education. Another member had put aside funds for private medical needs that have been delayed as a result.

Can it be right that Wellesley who has taken this road be allowed to get away with this appalling and self-serving behaviour. All these people have been effectively robbed by Wellesley and this is unquestionable. This sort of behaviour should not have been allowed by our regulatory authorities, namely the FCA and the Insolvency Services.

We now ask for FCA and Insolvency Services to act in a proper and robust way in the interest of consumers in this case via some form of Restitution Order for investors that restates the balance and brings the directors of Wellesley to account for their actions via some form of financial penalty and public censure.

We would appreciate an acknowledge of this representation to you as a matter of courtesy.

We also look forward to hearing from you directly in this matter as soon as it is possible.

Your faithfully,

Neil Taylor (Chair), Dean Murphy, Steve Pollard, Jeremy Hickman Devereux, Ender Tahsin.
email: littlebtook79@aol.com
Chair and Administrators of Wellesley Investors Action Group

Cc FCA Investigators Alexander Curlett and Lauren McClory

For circulation at a later date
Cc Local MP: Doctor Caroline Johnson – caroline.johnson.mp@parliament.uk
Cc Insolvency Services: Gary.Turner@insolvency.gov.uk
Cc HM Treasury john.glen.mp@parliament.uk

FCA MATTERS OUTSTANDING WITH WIAG
Updated edition with further questions now added

MATTERS TAKEN UP WITH THE FCA

(Extracted from letters dated 22 December 2020, 30 April 2021 and REPORT supplied "How to steal £63m from investors, THE WELLESLEY WAY" and s2/s3 Wellesley Mini bond REPORT, supplied summary of 17 points outstanding to the FCA on 8th August 2021)

Q1. **FCA VREG breach dated 10 September 2020 and s238 of Insolvency Act by WFP.** What is the FCA doing about this? This has been overlooked with asset sold undervalue, namely the sale of the loan book to Cloverleaf 376 Ltd for £45.1m when this is valued at £71.5m. A steal of £26.4m and if you add interest this increases to £32m. This is the main thrust of our complaint and does require investigation and action into the loan book sale being reversed and a full investigation in to the write offs of bad loans. The sale to Cloverleaf 376 Ltd was without merit other than to hide information from investors and authorities. It is a 'cover-up' and deliberate steal from investors in the opinion of WIAG ADMIN.

Q2. Illegal use of funds, £19.9m supplied to **Cloverleaf 374 Ltd and Cloverleaf 375 Ltd** during 2019/2020 by WFP to invest in AIM LISTED companies. Only £13.9m is to be given back to investors via WFP CVA, so a steal of £6.02m from investor funds again this is in breach of VREG and s238 of the Insolvency Act as in (Q1) above, so therefore regarded as illegal. It is also noted that on page 122 of the CVA is states "the assets will be used for the benefit of creditors". This is not true with £6.02m of partial take by the CVA.

Q3. When did FCA know the CVA was being constructed please provide date? Why was the **VREG** so late being put in place to protect investors?

Q4. FCA failure to manage **DISINGENUOUS MARKETING** around **Secured Lending, Provision Funding and Bad loan/LTV** information within the Invitational Documentation and also the changes to s2/s3 mini bond documents that were not clearly provided to investors, see point Q14/14/22/25 below for more detail.

Q5. **DISINGENUOUS MARKETING** - Wellesley Group misuse of the regulated status of Wellesley and Co Ltd (WACL) which was used to promote, funnel and underpin investments in the unregulated sister company Wellesley Finance PLC. Wellesley deliberately used the FCA authorisation of WACL to intentionally give the false impression of regulatory integrity elsewhere, giving the so called **"Halo effect"** of regulation across the Wellesley Group. The FCA failed to manage this.

Q6. **FCA ambiguity on referral of complaints to the FOS** set against Wellesley's clear and unequivocal complaint procedures which states you can refer to the FOS if you are not satisfied with Wellesley's response. **FCA states (Letter from Megan Butler, to Ronnie Cowan MP dated 4 November 2020, Paragraph 5, supplied to Alexander Curlett on 20 July 2021)** this does not apply to WFP as it is an unregulated company selling unregulated investments?

Q7. **WELLESLEY FAILURE** to act on the insolvency positions of the business since 2017 with proper management and control of costs and poor debt management. We can confirm the Insolvency Services have declined to act in this matter deferring to the FCA at this time.

Q8. **WELLESLEY FAILURE** to produce accurate and timely accounts. Late filing and re-statements of accounting are areas of clear financial abuse with total misreporting of the reality of the Wellesley financial position, which would have clearly alerted investors to the poor state of the financial affairs had the accounts been filed on time and before the CVA.

Q9. **FCA actions with Temporary Product Intervention (TPI)** were a root cause of the failure of WFP claimed by Wellesley? FCA say this will not be investigated as this is an area that is the prime duty of the regulator to change rules when abuse is observed. If this is the case, why was Wellesley not instructed by the FCA to advise investors of this introduction? The TPI was produced and is dated November 2019 and came in effect on in January 2020, unbeknown to investors!

Q10. Illegality of the CVA, NOT in the interest of INVESTORS with a steal of £63m from investors with approximately £40m in devaluing assets available to the CVA and points noted in Q11, Q12 and Q13 below.

Q11. **DEED OF RELEASE** illegal document in the CVA, waiving creditors rights to legal recourse if the CVA voted through?

Q12. **RIGGED VOTING IN CVA** – Illegal and contrived 'borrower-creditor' status given to two borrowers for £17.5m giving a vote in favour of the CVA of 29%. These are not creditors. Furthermore, the main borrower who was given £11.2m of voting power has **not** borrowed from Wellesley as stated in the CVA. They have used Paragon Finance Ltd.

Q13. **RIGGED VOTING IN CVA** - p2p creditors given no voting power other than £1 vote despite being a genuine investor creditor who were owed £27.1m at the time of the CVA, but were given just £1 nominal votes. There are 1,759 investors at the time of the CVA so their vote amounted to just £1,759 not the appropriate £27.1m.

Q14. Many investors were not aware that **s2/s3 WFP DISCREET CHANGES** to mini bonds were effectively used to finance the business without re-financing and payback funding losses of previous investors. This is an illegal use of funds [quasi-Ponzi]? These changes were introduced on 23 August 2016 into s2 mini bonds. These are material and significant changes and should have been clearly notified to all new investors in a more prominent way. This was cynically not done choosing to hide manifest changes in the extensive 'small print'.

Q15. Many investors have reported they have **s1 BOND CERTIFICATES** that Wellesley now claim was an "ADMN ERROR" and they should be s2. This indicates Wellesley staff were not aware of the change. Investors in s2/s3 have been totally wiped out as a result of these changes and only have a slight chance of recovery of 25% of their investment via two instalments, the first in December 2023 and the second in December 2024. This cannot be right to remove value by selling assets at undervalue and changing the terms without full and clear disclosure to investors at that time.

Q16. **FCA Principles of Business (PRIN 2.1.1)** violations by Wellesley; in particular around 3,4,6,7, and 10. Particular reference to Principle#3: Management and Control, Priniciple#4: Financial Prudence and Principle#7: Communications with clients.

Q17. **Breach of Companies Act 2006 Section 172(3), 174 and 175**. Section 172(3) requires directors to act in the interest of creditors. Section 174 requires using reasonable care and diligence. Section 175 requires Directors to avoid conflicts of interest. All of these sections have clearly not been met by Wellesley Directors.

FURTHER DETAILED NEW QUESTIONS FOR THE FCA

Q18. SUBJECT – FCA PERIMETER - The CVA covers the main three trading entities of Wellesley Group. This being Wellesley Finance PLC [WFP], Wellesley & Co Ltd [WACL] and Wellesley Secured Finance PLC [WSFP]. We believe this does fall within the **"regulatory perimeter"** of the FCA as a result of two main factors. Firstly, the creditors of WACL amount to £27.1m, so 20.1% of the investor creditors is a material amount. Secondly, WACL being the main sponsors and organisation handling investment deposits/income payments they are lead player. This is also borne out by the comments in the WFP accounts to 31 12 2018, see below for details. Can you confirm this is in the FCA perimeter as the Regulator of the UK financial markets?

Extract from Wellesley Group Investors Accounts to 31 12 2018

Issuance of corporate debt

The Company finances its origination and loan participation activities through the issuance of bonds. These bonds are distributed as investments to retail customers by Wellesley & Co Limited. The table below summarises the current programmes that the Company has in place.

Programme Name	Description	Programme Size	Outstanding amount issued as at 31 December 2018
The Wellesley Property Mini-Bond	Unlisted, non-transferable, secured programme with use of proceeds restricted (i) to participating in loans originated by the Company; and (ii) to be held in a secured segregated account.	£250,000,000	£38,205,903
The Wellesley Mini-Bond	Unlisted, non-transferable, unsecured programme with use of proceeds being for general corporate purposes.	£100,000,000	£59,661,284

Q19. SUBJECT - MINI BONDS - RED FLAG - Wellesley Finance PLC stopped issuing WFP s3 mini-bonds on the 15 February 2019, this is the exact same date the FCA gave Wellesley & Co Ltd full regulatory status? We do not believe in coincidences, so we are asking "Did the FCA agree terms by mutual consent, or have dialogue with Wellesley about the illegal use of investor funds, using them to "fund losses", plus covering "working capital deficiencies" of the Wellesley Group? At this time, they claimed to be using the funds to invest in secured lending? Can you confirm, did the FCA consult with Wellesley on this issue, and if so, what was the conclusion?

Q20. SUBJECT – Request for information Under the Freedom of information Act 2000 (FOIA) could you please supply details of your contact with the Wellesley companies and Group from 2017 to this date. Please can you supply this un-redacted under the FCA's duty of candour?

Q21. SUBJECT – FCA Full Permission granted -Why did it take 5 years to give Wellesley & Co Ltd full permissions? What were the issues causing this long delay?

Q22. SUBJECT – FCA review of documentation - The changes made to s2/s3 mini bonds in August 2016 were done without proper notification to investors, almost all investors were not aware that investor funds raise was to be used to fund losses of Wellesley from this point forward. Also, it is noted that Wellesley employees were also not aware of the changes made from s1 to s2. Many bondholders were given s1 bond certificates, but are now told they should be s2 certificates? Can you confirm any review(s) were undertaken of their procedures and invitation offer documentation? In particular in and around this change to s2 in August 2016? Do you think the use of new investors funds is to cover "funding losses" and to use funds to fix "working capital needs" without proper refinancing is legally OK? The original first issue of mini bonds were allowed to be used for temporary working capital needs, but **not** funding losses. This has been unscrupulously added and largely hidden from sight. Many investors would not have invested had they known. Why did you not stop this fraudulent misuse of funds immediately once known to you? Can you confirm when you discovered Wellesley had changed these terms?

Q23. SUBJECT PROMOTIONS - Wellesley are saying the bond issuance was approved by Memery Crystal LLP, and the promotions were approved by BDO. If we have any issues, please take it up with them? Does the FCA agree with this statement from Wellesley? They are denying their involvement which is preposterous and passing responsibility and potential liability over to these providers. This demonstrates the a less than adequate moral compass of the Wellesley personal responsible. Do you agree that the promotions are the responsibility of these appointed agents?

Q24. SUBJECT – INSOLVENCY Wellesley Group were largely insolvent since the year end 31 12 2017. This is a RED FLAG issue continuing to have regulatory status and ability to raise further capital from investors at this time is totally inappropriate.

Why was this not addressed much earlier? Who has the responsibility on this, besides the Directors? Did you not consult with the INSOLVENCY SERVICES on this major issue, using the Memorandum of Understanding (MOU) dated January 2018, that exists between both FCA/IS? Why has WIAG been passed from pillar to post on this issue, by both the FCA and IS? Why has Wellesley been allowed to blatantly abuse investors by using cash flows to support his business and life style without proper intervention from our regulated authorities?

Q25. SUBJECT - MISREPRESENTATION OF FACTS - Did you give Wellesley & Co Ltd any warnings about their offerings, documentation, marketing, secured lending promises with good LTV and provision funding, knowing this was not in fact truthful and a misrepresentation of the facts that were happening in the Wellesley Group? The FCA have a clear responsibility here to ensure the promotions compile with the Financial Promotion Order 2001. They appear to have trusted their Accountants, BDO which is clear deception passing the responsibility to them.

With the recent issues surrounding KPMG with the so-called solid audit work/ and sign off of Carillion now attracting a £1.2bn legal action against them from the official administrators, it does demonstrate that there is quite a lot of failure in Audit, Oversight and Regulation arena. Clearly, this shows failure at highest levels in so called professional business. It does appear that who pays the fees is correct, and this current mentality is clearly an abuse within our financial markets. Many investors and shareholders are being mis-lead at many levels by players in our financial markets who are meant to be professionals who seem not to report materiality of findings to our official regulators?

In the case of Wellesley, the information around the invitation documents, around secured lending, around provision funding, around reporting low levels of poor failure of the loan book are untrue. We estimate the loan book failures were 3 times worse than reported.

Set against this no meaningful PROVISION FUND was ever developed to cover claims on a discretionary basis as suggested in the documentation other than an insignificant £375,000 of provision fund recorded in 2014, that was fully utilised by Oct 2015? With an average loan book over the 7 years in excess of £150m range, a 3-5% provision fund would have amounted to £4.5m-£7.5m being put aside to cover a reasonable discretionary fund for investors to call upon in need. Wellesley business was effectively "built on a lie" and misrepresentation in this area.

EXAMPLES OF MISREPRESENTATIONS - A quote from Mark Winslow in the strategic report of the audited financial statements to 31 12 2017 states the following: - "*The purpose of Wellesley Group Investors Ltd ("Wellesley") is to align two socially important markets that have been left under-served by the high street banks following the 2008 crisis. We aim to provide funding and support to property developers looking to build homes for the mid-market in England and Wales; and we offer investors the opportunity to make higher returns than those offered by the high street.* ***in return for taking a modest risk on investor capital"***

The attractiveness for me and others was the knowledge that the loans made were given against security provided by the borrowers who were lent monies, also the advertised presence of a contingent provision fund being built which gave added security and sincerity of your stated aim. I recall the Wellesley Way television add which Graham Wellesley stated on 25 March 2014 ***"Absolute cornerstone of our offering is the protection of client capital"*** The "secured lending" pledges and promises were quick frankly a complete lie. This is another example of his profound lies.

Q26. SUBJECT – MISUSE/ABUSE OF FCA STATUS Wellesley refer to themselves as WELLESLEY GROUP, but the regulated arm of Wellesley & Co Ltd was diminishing in importance. The marketing and literature were aimed at promoting size and scale of Wellesley Group; and the use of "halo effect" of regulation under the banner of the "Wellesley Group" was clearly the intent of Wellesley. This is of course was misleading investors at all stages of the development of Wellesley. Looking at the email dated the 15 February 2019 sent to most investors from Wellesley its headed *"Wellesley achieves full regulatory authorisation!* and it then states "*We are pleased to announce that having worked closely with the FCA, Wellesley has today been granted full regulatory permissions, Firm Registration Number (FRN) 631197. The FCA register will be updated shortly.*

They claimed regulation was important and primary to their business whilst diverting business into unregulated entities like WFP mini-bonds and WSFP property bonds? Please, see comments from Andrew Turnbull in p2p finance news dated the 2nd May 2019, I quote*…. "Since leaving the P2P industry our business plan has been to migrate towards offering fully-regulated, listed bonds because, frankly, we think they give consumers a higher degree of protection than mini-bonds. In being able to offer a fully-regulated, standardised, listed, exchange-tradable product as a fully-authorised firm, it puts our customers in the best possible position."* The WSFP property bonds and also the WFP property bonds are NOT FULLY REGULATED, again a blatant lie by Andrew Turnbull?

Why have you allowed a regulated company Wellesley & Co Ltd to spawn and spin off business into an unregulated operation company leading to investors being put in clear and obvious jeopardy at some future date in time?

Why has the FCA allowed Wellesley to continue as a regulated entity knowing they are were not using their regulatory status correctly and also were insolvent to high level in 2018?

Q27. SUBJECT – DEEPENING FINANCIAL CRISIS - RED FLAG - Were you aware of the financial crisis and mismanagement that was unfolding in Wellesley Group with losses reported in 31 12 2017 increasing significantly in 31 12 2018? It is clear that this business was not fit for purpose to operate at this stage? Did you not ask for sight of the accounts to 31 12 2018, they were eventually filed 22 October 2020, over 1 year late, and after the CVA was issued? It is claimed by a whistle-blower to WIAG ADMIN, that the accounts would not be signed off by their auditors. WFP 2018 accounts for the same period were filed on 4 Jan 2020, these should have been filed on 30 June 2019, so these were 6 months late as well. Did it not occur to the FCA that something was amiss at this time, please advise?

Q28. SUBECT TPI - What do you mean by "poor marketing" as noted in the TPI paragraph 1.18 and does this apply to Wellesley? Please fully explain and did this apply to Wellesley?

Q29. SUBJECT TPI - Did you consider Wellesley an "unsustainable issuer" per TPI paragraph 1.18? Were they the single protestor to the TPI? If not, who was?

Q30. SUBJECT TPI - Why did you feel that it was OK for investors to have losses "brought forward" as noted by your comments in paragraph 1.18 of the TPI?

Q31. WHY GIVE FULL STATUS AT THIS TIME - Why have you allowed Wellesley & Co Ltd to continue as a regulated entity, or for that matter become a fully-fledged entity in on the 15 February 2019 when falsehood/misrepresentation was manifestly present in a significant part of the Wellesley Group EMPIRE at that time. This should have been clear to you as the Regulator that this was so?

Q32. INSOLVENCY MATTERS – RED FLAG - The solvency of the business is of course the responsibility of the Directors to maintain via its discipline in management. Wellesley Group solvency fell below acceptable levels by the end of 31 12 2018 with negative assets growing to £14.4m. This rose to £22.7m by 31 12 2019, and finally £34m by 31 12 2020 (*excluding profit made on investor creditors in 2020 of £37.5m noted).*

Wellesley Group losses since inception, adjusted for the steal from investors of £37.5m in 2020 stand at £43.2m, see table in Appendix C for details. Wellesley Group were being kept alive, as a result of investors cash from early 2017 through to its demise in September 2020. Investor funds were not being vested substantially in secured lending. They were being used largely to support funding the losses of the so-called Wellesley Group.

Did the FCA carry out any independent checks or tests to satisfy themselves that this financial sector business was not running a personal lifestyle business using the cash flow of investors' funds? It does seem the FCA are keen to pass on all matters around supervision and regulation of this to the Insolvency Services. I do not understand why the FCA and Insolvency Services did not intervene in insolvency matters within the Financial Sector. Particularly when the accounts of these business are not filed on time and are under scrutiny by auditors who are not able to sign off accounts on a going concern basis. The Insolvency Services maintain the FCA has taken action to curtail bad and errant behaviours.

Did the FCA look at the financial resilience of Wellesley as a Group? If so, please provide full explanation of your findings and reasoning for the conclusion you made?

Q33. RAFT OF OTHER SIGNIFICANT MATTERS REPORTED TO THE FCA with more details

The CVA although now approved by devious means and very little can be done now, we do regard as an unethical, contrived and pre-meditated masterpiece created by the Directors and Duff & Phelps, now called Kroll.

Here is a list of issues in and around the CVA and businesses of Wellesley Group which really do need listing, that verifies our complaint about this organisation. Many aspects are clearly against investors' interest and are at the heart of our complaint about the mismanagement of the Wellesley Group to the FCA and Insolvency Services.

We have now added some new issues to this list that have arisen from further investigations, which include, the payment of £2m of share capital return to shareholders of WGIL in June 2021, and also, the variability in the repayment of investors' capital on WSFP listed property bonds via the CVA.

a. C376 acquired the loan book of WACL, WFP and WSFP. The Gross value of the loan book was £88.12m. Impairment provisions at the time of CVA on 2 loans amounted to £16.67m, so a NET LOAN book realisable of £71.45m. 16 loans were acquired by C376 for £45.12m. £26.33m of value taken, despite a FCA VREG issued (10 September 2020) before this transaction was done on the 14 September 2020. This monies appears to be given back to WFP in 2022/25 years per CVA page 139. This money is not profit earnt by WFP to keep, its monies that rightly belongs to investors, in particular s2/s3 mini bond holders who have been severely short changed via the CVA

b. CVA rigged voting, borrower creditors, 27% vote given in favour of CVA. The question of why were debtors given a vote based on a liability that has not arisen yet. This is fundamentally incorrect, a borrower is a debtor, not a creditor of the company, and does not have any rights to partake in the VOTE BY CREDITORS. For information, one of the borrower creditors named Trent Bridge Quays has NOT used Wellesley to finance going forward, they have used Paragon Bank for the next stage, so £11.3m of finance not drawn down. This is an aside and does not give any credence to illegal voting rights given; but it is worth knowing this point as well.

c. Blame for failure on COVID 19 and FCA. Yes, this has impacted in recent times, but Wellesley was in trouble back in 2017 and certainly in 2018 it was in free fall. Issues of over-trading, poor management controls and exorbitant costs are more relevant to this insolvency. This is much more relevant to the reasons why the failure has occurred. We have real concerns over the insolvent trading of a financial sector Group who purported to be regulated?

d. Preferred shares issued…with no preference?

e. Preferred shares in liquidation are behind the ordinary shareholder up to £5.5m take first by ordinary shares, this is not normal and indicates to WIAG that this may well be the end result?

f. Deed of Release - illegal attempt to remove investors rights to sue if CVA was voted for?

g. £61m of extra funding on loans – We believe this is not true requirement, no details were provided in the CVA, so this could not be tested or challenged

h. S2/S3 WFP mini bonds - Ponzi scheme from Aug 2016 to finance Wellesley failing empire, over £40m of INVESTOR FUND HAVE BEEN USED from our calculations to fund the failure.

i. Directors pay beyond normal levels for a business since inception to 31 12 2020 - £68.2m of Revenues achieving a loss before tax of £432m across the Group (See appendix C). 50 staff on average being paid on average over £83,000pa. No profitability since inception with Graham Wellesley paid £350,000 per annum and £200,000 to Andrew Turnbull plus pension contributions of £24,000.

j. Opaque Accounting – £4.2m overstated in Group accounts for JV in Spain. Incorrect accounting here that has distorted profitability and success? Wellesley Group has reported in the Group accounts filed at Companies House that profits for the JV were significant in 2015 and 2016. These were shown after restatement in the accounts to be £3.57m, but no properties were developed or sold until the year end 31 12 2018 from the JV filed in Spain. The accounts of the JV for 2015 and 2016 show a loss of €13,543 for this period, of which 50% is attributable to Wellesley Group.

   The accounts are a total misrepresentation of the facts, particularly for 2015 and 2016.

   This would increase the Wellesley Group losses from £43.2m (see appendix C) to £47.4m for the period since inception if corrected properly. This needs full discussion with the auditors and directors as this another accounting error along with so many others noted.

k. Opaque Accounting - Write off of inter company in 31 12 2018 accounts for £2,800,000 in WFP and £2,323,000 in WGIL. These are unexplained and need full analysis?

l. There is a large VAT cost for irrevocable VAT in the WGIL Group noted a total of £3.54m since inception (see appendix C). This relates mainly to the financial years 31 12 2015 and 31 12 2016 with £2.6m reported in the Wellesley Finance PLC since inception. Can someone explain the nature of these and to what these very large VAT adjustments relates to? We were told this was another accounting error, this does look highly suspicious.

m. £2.52m for cost of CVA as reported in WGIL accounts to 31 12 2020, This is extortionate, who was this paid to and what does it relate too? If you look at this in reality, the investors are in fact paying this bill, which they have not asked for, or had an influence over. The shareholders of Wellesley on the other hand have not suffered and will not likely suffer as a result of the disastrous outcome of Wellesley's blundering the business.

n. CVA Default and failure to make CVA payment commitments in December 2021 payment per the CVA PAYMENT PLAN issued to investors. This has been deferred to 28 February 2022 and 31 March 2022 for WSFP property bond holders under which they state was allowed via LBS document that Wellesley claim is not part of the CVA.

   They original said this allowed them 60 days grace to 28 February 2022.

   They have now issued a further communication that payment has now been delayed to 14 April 2022, upon which Kroll now states that WST have authorised the extension to payments, and has declined to call a default in the best interest of investors. The reasoning seems to vary depending on which day of the week it is. We are now aware that the CVA payments are to be completed by the end of May 2022 for all investors.

o. Varadero Capital LP was used by C374 to provide funding for the attempted take-over of Urban Exposure PLC. £20m was provided in September 2019 and repaid back in June 2020 to this company.

   It is said that Wellesley made an offer of 76.9p per share in April 2020. The owners were not satisfied that Wellesley could prove funding was available and it was reported that this was not a creditable proposition on the 24 April 2020. Graham Wellesley has said it was available despite the owners of Urban Exposure PLC saying the opposite.

Wellesley had bought 21.3m shares from Sept 2019 and Feb 2020 for around £12.4m (13.4% of the equity), the number of shares in issue amounted to 158.5m, excluding treasury and deferred. If Wellesley was to acquire this, 137.2m shares at 76.9p would have cost £105m to make this acquisition if it was a cash offer.

Urban Exposure PLC has in December 2020 bought back 86.7m shares at 75p per share a total of £65m, as part of its voluntary liquidation process. It has £51.9m of assets to realise, so further share buyback is envisaged in 2021/22. Urban Exposure PLC delisted from AIM in June 2021.

The cost of borrowing funds from Varadero Capital LP is reported in the accounts of C374 to be £3.4m, a huge cost at a time the business was failing. £20m loan facility for 9 months costing £3.4m, a staggering 22% cost of money. The repayment back to Varadero Capital LP in June 2020 was fully funded by Wellesley Finance PLC.

C375 acquired shares in 1PM plc, now called TIME FINANCE PLC on 15 May 2020. 17,796,913 shares were acquired for £3.7m. The 20% holding is still vested today. The value assigned to CVA was only £1.18m, despite this investment being worth around £4.27m.

This amount due to Wellesley Finance PLC at the time of the CVA is £19.92m, this will be paid back to them when these investments are realised in time. The issue is the CVA is only giving up £13.92m to investors, not the full amount of £19.92, so around £6m is being kept by WFP for use in their business. This is not how investors expected their funds to be used, in AIM listed investors which does not give any value to investors, on the contrary a further loss of capital held in the Wellesley Group. In the CVA, it is noted on page 98 of the CVA that 22,261,459 shares were bought in URBAN EXPOSURE PLC? On page 121 is says 21,261,459 shares were bought. Which is correct? Also, more importantly it is noted on PAGE 122 of the CVA which states… *"The lending of the monies for the acquisition of the 1pm and the Urban Exposure shares took place at a time when it could be challenged pursuant to the provisions of the Insolvency Act as an antecedent transaction should administrators or liquidators be appointed to the Company before 15 May 2020 (for 1pm) and before February 2022 (for Urban Exposure). The Directors do not consider that providing these loans will give rise to such a claim. It is also a term of the CVA that both shareholdings be transferred within the Group to become assets of the Company and be utilised for the benefit of the creditors"* We cannot see any benefit to investors of these transactions, the opposite in fact with £6m being creamed off by these SPV's. This is further proof of that they have increase the capital losses for investors with the CVA ploy. We regard this a misuse of investor funds, ultimately leading to a steal. This is not secured lending and has nothing to do with their property development business.

p. Loan book assigned to WSFP from WFP is stated to be £24.06m as at 30 06 2020, per the interim accounts produced by WSFP. We suspect interim accounts were done for the first time, as this was needed to establish the matters in and around the insolvency review that was underway with Kroll and Wellesley's Directors around this time.

The loan book had a provision set aside by WSFP of £490,000 as at 31 12 2019, against the loan book of WFP assigned at that time of £20,614,000.

As at the time of CVA, it is noted that provision should be have been £7.4m. Cash was not available to pay investors back. We believe this was recognised by the Directors, so £7.7m was transferred from WFP on the 23 July 2020 as noted in the CVA on page 119. This has been politely described in the CVA as follows from an extract on page 119, *"The miscalculation came to light following several large loan redemptions by Borrowers and as a result a greater concentration of impaired loans being allocated to the PMB. The shortfall in the collateral was calculated as being £7,700,000 ("Shortfall")"*

This demonstrates that something was fundamentally wrong with the accounting and information flows to WSFP from WFP. It looks as if the loan book assigned to WSFP was incorrect and needed this massive adjustment that was clearly unknown to WSFP.

It shows something was wrong assigning loans to WSFP as security. As this was in the "off balance sheet world of WSFP" it could be kept quiet. But this had to be revealed at the time of the CVA.

Full explanation is needed why the loan book was significantly worse than reported by WFSP at £490,000 as it is clear that £7.7m of cash was needed to pay investors in WSFP secured property bond investors in mid-2020 and a write off £7m was now needed on the loan book.

q. Repayment of investors with WSFP property bonds look as though the capital repayments have made at variable rates? This does not make sense when the investors are all the same, listed property mini bonds? It appears the Series that have raised larger amounts of funds from investors have been paid less by way of capital returns?

Please refer to RNS 3569E dated 6 July 2020, details are given in APPENDIX A below. We do not understand this? BOND SERIES 30,36,39,50 for example. These BOND SERIES are being paid 47-53% of capital returns; others range from 70-75%. The overall capital return is noted at 64.6%

r. The loan book write-off amounts to £27.4m as at CVA time and is £33m as at 31 12 2020. This needs a full review against their reporting claims which clearly did not show this level of failure. MIAC REPORT issued in Jan 2019 and circulated to investors in states the worst case at 2.76% of GROSS FACILITY LIMIT.

If you look at the loan to ENVIRON FRESHFORD MILL LTD alone, they have a total debt of £25m that would have had significant interest content as at the time of the CVA. Wellesley put the business into Administration in July 2019, and the realisation of the asset is likely to be £9m for the disposal of 10 houses now completed in late 2020. This is 200% of LTV, not 65% as pledged by the invitational documents was the limit of their lending.

s. We note the bank balance in WGIL has gone from £38,000 close of business 2019 to £4.72m as at the end of 31 12 2020. Where has this new cash come from; I ask? It appears that £7.1m has been given to WGIL from other group companies during 2020. £2.1m has been used to pay back convertible preference shareholders, this has been confirmed that this was done on the 4 June 2021 and in May 2022. This is not illegal or incorrect, but it could be argued this is unethical in light of some investors been paid NIL CAPITAL RETURN at this time on their investment as noted in the following paragraph.

As stated above we acknowledge that repayment of shareholder capital is not illegal or incorrect. We do however have real concerns that preferred share creditors of WFP valued at £9.7m, who gave 100% investment to Wellesley amounting to £33m, has been reduced to a paltry 25% possible return via the CVA in 2023/24 whilst other preferred creditors are receiving 100% of their capital return.

We do not understand why retail investors' funds are being taken and used moving forward, when it clearly states institutional funds are to be used moving forward.

Surely, 100% of the investment should be returned downstream to investors by WFP when time/profits allow is more appropriate and equal considering the recent repayments to convertible preference shareholders?

The above was a discussion point we had when the CVA was first delivered, but we were denied access to a creditors' meeting by Duff & Phelps, or any adjournment of the vote to allow this point on 100% repayment downstream to be covered along with others that should have been considered.

APPENDIX A - TERMS IN USE

C374	Cloverleaf 374 Ltd – Special Purpose Vehicle used to acquire shares in URBAN EXPOSURE PLC
C375	Cloverleaf 375 Ltd - Special Purpose Vehicle used to acquire shares in AIM listed company 1PM plc, now called TIME FINANCE PLC.
C376	Cloverleaf 376 Ltd - Special Purpose Vehicle used to acquire the consolidated loan book of WACL, WFP and WSFP.
CVA	Company Voluntary Arrangement
FCA	Financial Conduct Authority
FRCC	Financial Regulators Complaints Commissioner
LBS	Loan Book Sale
TPI	Temporary Product Intervention
VREG	Voluntary Requirement Notice issued by FCA on 10 September 2020
WACL	Wellesley & Co Ltd – p2p entity -FCA regulated
WFP	Wellesley Finance PLC now converted to a limited private company
WGIL	Wellesley Group Investors Ltd – Parent Company
WST	Wellesley Secured Trustees
WSFP	Wellesley Secured Finance PLC – issued listed bond on Euronext, called property bonds from March 2019
WIAG	Wellesley Investors Action Group

CHRONOLOGY OF WIAG LETTERS & REPORTS SUPPLIED TO FCA (updated on 16th May 2022)

1.	20/10/2020 – Sent letter to the FCA Letter
2.	30/10/2020 - Reply from FCA 30 October 2020 received from Joe Karim – Did not agree with response
3.	22/12/2020 - Follow up Letter 22 December 2020, sent by email on 23 December 2020 – 112 members of WIAG in support
4.	30/04/2021 - **FCA Letter of Representation** dated and sent 30 April 2021 – 244 WIAG members in support
5.	30/04/2021 – Sent - **How to steal £63m from investors, THE WELLESLEY WAY** – (Supplied to FCA on 30 April 2021 via email)
6.	08/06/2021 - **s2/s3 Wellesley Finance PLC mini bond REPORT** – June 2021 – (Supplied to FCA on 8 June 2021 via email)
7.	08/06/2021 - Call for ZOOM MEETING by WIAG ADMIN with FCA and IS – 8 June 2021
8.	29/06/2021 - Conference call with Alexander Curlett from the FCA on 29 June 2021 at 2pm
9.	13/07/2021 - Reply from FCA received on 13 July 2021
10.	20/07/2021 - Follow up letter to Alexander Curlett FCA dated 20 July 2021
11.	11/08/2021 - **FCA MATTERS OUTSTANDING WITH WIAG**: 11 Aug 2021 – Supplied to Alexander Curlett by email
12.	09/09/2021 - Email from Dean Murphy to FCA – Asking for FCA to advise findings when available after having a conversation with Alexander Curlett, Investigation Officer.
13.	24/09/2021 – EMAIL to Alexander Curlett – Providing further information around - Share structure of WGIL, C374 &C375 transactions, GW- Director loan due 31 12 2020
14.	30/09/2021 – EMAIL From Alexander Curlett – continuation of deferral of complaint
15.	04/10/2021 – Requested ZOOM meeting with Supervision and investigations
16.	11/10/2021 – EMAIL – Polite follow up to Alexander Curlett about ZOOM
17.	12/10/2021 – EMAIL from Alexander Curlett consulting with internal stakeholders will reply soon as possible
18.	25/10/2021 – EMAIL from Alexander Curlett – Holding email
19.	08/11/2021 – EMAIL to – POLITE REMINDER #2
20.	08/12/2021 – EMAIL from Alexander Curlett NO ZOOM MEETING will be granted, but telephone conference OK
21.	10/12/2021 – EMAIL to – Gave times for conference call to Alexander Curlett - (14/15/16 Dec 2021 at 10am)
22.	20/12/2021 – EMAIL from Alexander Curlett can we provide dates for telephone conference first 2 weeks Jan 2022
23.	21/12/2021 – EMAIL to – Alexander Curlett offered dates in Jan 2022 (7th to 13th Jan 2022) with outline agenda
24.	23/12/2021 – EMAIL to Alexander Curlett – Advised them of CVA PAYMENT PLAN default
25.	10/01/2022 – EMAIL from Alexander Curlett NO to telephone conference now – matters listed not agreeable
26.	11/01/2022 – EMAIL to Alexander Curlett Will remove any agenda for Telephone conference call, please reconsider?
27.	20/01/2022 – EMAIL to POLITE REMINDER to Alexander Curlett
28.	26/01/2022 – EMAIL from Alexander Curlett – Consulting with internal stakeholders will reply soon
29.	01/02/2022 – EMAIL from Lauren McClory – NO TELEPHONE CONFERENCE – request for more detail in WIAG MEMBERS covered in representations – BACKWARD STEP
30.	02/02/2022 – EMAIL to Lauren McClory – No happy with no telephone conference – provided latest WIAG MEMBER SUMMARY – 290 members supporting out of 538 in total
31.	10/02/2022 – EMAIL from Lauren McClory – DECLINED TELEPHONE CONFERENCE CALL AGAIN – Next review 31 03 2022 – nothing offered by the FCA on any aspect, not even a likely time frame.
32.	31/03/2022 – EMAIL from Lauren McClory deferring complaint for a further 6 months potentially
33.	14/04/2022 – EMAIL and letter to FCA/IS reference default of CVA payment plan asking for their consideration to this point. No reply as at the date of this letter from the FCA.
34.	06/05/2022 – EMAIL from Lauren McClory reference default payments. Apologises as out of office recently and will reply in the coming weeks on the matter of the CVA default
35.	16/05/2022 – EMAIL and this open letter addressed to Nikhil Rathi, CEO of the FCA from 328 from a total of 610 members of WIAG members

APPENDIX A - WSFP RNS 3569E filed 6 July 2021 – showing variable payment to WSFP investors

Detailed extract from RNS 3569E dated 6 July 2021 filed by WSFP

Is is noted that repayment on capital varies by SERIES. Is this because the NOMINAL AMOUNT raised is different to what is reported here. This would make a difference if the amounts actually received were less/or more than the SERIES NOMINAL AMOUNT SHOWN IN THIS TABLE

Is is also reported in the cva that the returns to WSFP is 71.4p/£ - but this table below suggests it is 64.61p/£. Again, is this something to do with the capital amount. It is reported in WSFP accounts the amount owing to investors

BOND ISSUE	Total Nominal Amount Outstanding	Start Date	Maturity Date	Total amount of interest paid on 10/11/2020	Total amount of principal paid on 10/11/2020	Total amount of interest paid on 31/12/2020	Total amount of principal paid on 31/12/2020	Total amount of interest to be paid on 30/06/2021	Total amount of principal to be paid on 30/06/2021	Total amount of interest to be paid on 31/12/2021	Total amount of principal to be paid on 31/12/2021	Total shortfall of principal	Total Return / Original Capital loss %	CAPITAL investors get back	% capital return to investors		interest payment
BOND B notes	£550,000.00	22 October 2019	22 October 2020	£2,520.73	£108,892.45	£0.00	£49,234.47	£0.00	£95,770.58	£0.00	£147,533.07	£148,569.43	27.01%	£401,430.57	72.99%		£2,520.73
BOND C notes	£491,000.00	05 February 2019	05 February 2021	£11,252.20	£0.00	£0.00	£117,726.00	£0.00	£79,570.32	£0.00	£122,916.28	£170,787.40	34.78%	£320,212.60	65.22%		£11,252.20
Series 8 Notes	£315,000.00	04 October 2019	04 October 2020	£1,102.50	£84,397.61	£0.00	£29,998.11	£0.00	£58,150.59	£0.00	£89,402.99	£53,050.70	16.84%	£261,949.30	83.16%		£1,102.50
Series 9 Notes	£282,000.00	06 November 2019	06 November 2020	£2,210.88	£6,374.80	£0.00	£28,032.11	£0.00	£54,215.02	£0.00	£83,238.25	£110,139.82	39.06%	£171,860.18	60.94%		£2,210.88
Series 10 Notes	£193,000.00	20 December 2019	20 December 2020	£0.00	£0.00	£24,896.88	£55,108.35	£0.00	£36,347.20	£0.00	£55,843.64	£45,700.81	23.68%	£147,299.19	76.32%		£24,896.88
Series 11 Notes	£333,000.00	05 February 2019	05 February 2021	£2,637.36	£0.00	£1,318.68	£97,290.51	£2,637.36	£60,207.00	£0.00	£96,547.30	£78,955.19	23.71%	£254,044.81	76.29%		£6,593.40
Series 13 Notes	£1,084,000.00	05 April 2019	05 April 2021	£9,929.44	£0.00	£4,964.72	£298,079.77	£19,858.88	£184,716.32	£0.00	£314,286.67	£286,917.24	26.47%	£797,082.76	73.53%		£34,753.04
Series 14 Notes	£766,000.00	15 June 2019	15 June 2021	£3,508.28	£0.00	£7,016.56	£216,277.64	£21,049.68	£123,510.95	£0.00	£222,087.79	£204,123.62	26.65%	£561,876.38	73.35%		£31,574.52
Series 15 Notes	£378,000.00	15 August 2019	06 August 2021	£3,462.48	£0.00	£1,731.24	£113,529.13	£10,387.44	£60,949.72	£3,462.48	£106,132.11	£97,389.04	25.76%	£280,610.96	74.24%		£19,043.64
Series 16 Notes	£219,000.00	17 September 2019	17 September 2021	£849.72	£0.00	£1,699.74	£69,031.99	£5,098.32	£36,231.42	£2,549.16	£60,945.49	£52,791.10	24.11%	£166,208.90	75.89%		£10,196.94
Series 24 Notes	£855,000.00	16 July 2019	26 July 2021	£2,847.15	£0.00	£5,694.30	£208,416.59	£17,082.90	£144,275.02	£17,082.90	£230,809.50	£271,498.89	31.75%	£583,501.11	68.25%		£42,707.25
Series 27 Notes	£356,000.00	22 August 2019	22 August 2022	£1,185.48	£0.00	£2,370.96	£80,463.81	£7,112.88	£61,101.90	£7,112.88	£97,631.55	£116,802.74	32.81%	£239,197.26	67.19%		£17,782.20
Series 28 Notes	£302,000.00	16 February 2019	16 February 2021	£1,195.92	£0.00	£2,391.84	£68,595.51	£2,391.84	£55,475.16	£0.00	£88,856.48	£89,072.85	29.49%	£212,927.15	70.51%		£5,979.60
Series 29 Notes	£259,000.00	03 October 2019	03 October 2020	£647.50	£36,612.88	£0.00	£25,655.72	£0.00	£49,628.83	£0.00	£76,204.12	£70,898.45	27.37%	£188,101.55	72.63%		£647.50
Series 30 Notes	£604,000.00	03 October 2019	03 October 2022	£0.00	£0.00	£6,033.96	£48,895.58	£12,067.92	£103,667.59	£12,067.92	£165,644.05	£285,792.78	47.32%	£318,207.22	52.68%		£30,169.80
Series 31 Notes	£485,000.00	04 March 2019	04 March 2021	£3,841.20	£0.00	£1,920.60	£106,878.96	£5,761.80	£87,170.77	£0.00	£142,699.51	£148,250.76	30.57%	£336,749.24	69.43%		£11,523.60
Series 32 Notes	£236,000.00	03 October 2019	03 October 2021	£1,378.24	£0.00	£689.12	£54,616.04	£4,132.74	£41,085.73	£2,756.48	£66,680.52	£73,617.71	31.19%	£162,382.29	68.81%		£8,956.58
Series 33 Notes	£306,000.00	05 November 2019	05 November 2020	£1,530.00	£40,183.00	£0.00	£30,310.57	£0.00	£58,633.69	£0.00	£90,033.33	£86,839.41	28.38%	£219,160.59	71.62%		£1,530.00
Series 34 Notes	£220,000.00	05 November 2019	05 November 2021	£1,284.80	£0.00	£642.40	£51,166.02	£3,854.40	£38,300.65	£3,212.00	£61,517.61	£69,015.72	31.37%	£150,984.28	68.63%		£8,993.60
Series 35 Notes	£284,000.00	05 November 2019	05 November 2022	£1,891.44	£0.00	£945.72	£63,755.78	£5,674.32	£48,744.10	£5,674.32	£77,885.85	£93,614.27	32.96%	£190,385.73	67.04%		£14,185.80
Series 36 Notes	£2,084,000.00	25 October 2019	25 October 2022	£0.00	£0.00	£27,379.26	£140,719.65	£40,919.04	£345,584.97	£40,919.04	£552,861.87	£1,044,833.51	50.14%	£1,039,166.49	49.86%		£109,217.34
Series 37 Notes	£421,000.00	05 November 2019	20 November 2020	£1,052.50	£0.00	£1,052.50	£107,864.04	£0.00	£79,452.16	£0.00	£122,060.95	£111,622.85	26.51%	£309,377.15	73.49%		£2,105.00
Series 38 Notes	£242,000.00	05 November 2019	20 November 2020	£706.64	£0.00	£706.64	£60,034.56	£0.00	£45,670.43	£0.00	£70,163.77	£66,131.24	27.33%	£175,868.76	72.67%		£1,413.28
Series 39 Notes	£1,867,000.00	05 November 2019	20 November 2022	£0.00	£0.00	£18,651.33	£138,015.33	£37,302.66	£315,042.59	£37,302.66	£504,000.15	£909,941.93	48.74%	£957,058.07	51.26%		£93,256.65
Series 40 Notes	£277,000.00	04 December 2019	04 December 2020	£1,385.00	£0.00	£692.50	£69,098.92	£0.00	£52,276.77	£0.00	£80,311.44	£75,312.87	27.19%	£201,687.13	72.81%		£2,077.50
Series 42 Notes	£747,000.00	04 December 2019	04 December 2022	£4,975.02	£0.00	£2,487.51	£185,418.55	£14,925.06	£126,050.13	£14,925.06	£201,654.46	£233,876.86	31.31%	£513,123.14	68.69%		£37,312.65
Series 43 Notes	£203,000.00	20 December 2019	20 December 2020	£507.50	£0.00	£1,015.00	£43,392.51	£0.00	£38,897.67	£0.00	£59,727.26	£60,982.56	30.04%	£142,017.44	69.96%		£1,522.50
Series 45 Notes	£214,000.00	20 December 2019	20 December 2022	£712.62	£0.00	£1,425.64	£43,607.96	£4,275.72	£36,730.23	£4,275.72	£58,688.12	£74,973.69	35.03%	£139,026.31	64.97%		£10,689.70
Series 46 Notes	£297,000.00	16 January 2020	16 January 2021	£742.50	£0.00	£1,485.00	£61,693.54	£742.50	£56,167.30	£0.00	£87,384.68	£91,754.48	30.89%	£205,245.52	69.11%		£2,970.00
Series 47 Notes	£215,000.00	16 January 2020	16 January 2023	£715.95	£0.00	£1,431.90	£45,730.15	£4,295.70	£36,901.50	£4,295.70	£58,963.10	£73,405.25	34.14%	£141,594.75	65.86%		£10,739.25
Series 48 Notes	£245,000.00	13 February 2020	13 February 2021	£612.50	£0.00	£1,225.00	£55,784.72	£1,225.00	£45,012.28	£0.00	£71,033.66	£73,169.34	29.87%	£171,830.66	70.13%		£3,062.50
Series 49 Notes	£415,000.00	13 February 2020	13 February 2023	£1,381.95	£0.00	£2,763.90	£98,647.90	£8,291.70	£70,028.20	£8,291.70	£112,030.48	£134,293.42	32.36%	£280,706.58	67.64%		£20,729.25
Series 50 Notes	£1,341,000.00	29 January 2020	29 January 2022	£0.00	£0.00	£15,662.88	£102,314.00	£23,494.32	£237,376.48	£23,494.32	£371,061.55	£630,247.97	47.00%	£710,752.03	53.00%		£62,651.52
Series 51 Notes	£315,000.00	04 March 2020	04 March 2021	£1,575.00	£0.00	£787.50	£78,152.73	£2,362.50	£57,085.10	£0.00	£91,328.99	£88,433.18	28.07%	£226,566.82	71.93%		£4,725.00
Series 52 Notes	£331,000.00	04 March 2020	04 March 2023	£2,204.46	£0.00	£1,102.23	£84,394.72	£6,613.38	£55,853.95	£6,613.38	£89,354.00	£101,397.33	30.63%	£229,602.67	69.37%		£16,533.45
Series 53 Notes	£172,000.00	17 March 2020	17 March 2021	£424.84	£0.00	£849.68	£44,329.16	£1,274.52	£31,186.51	£0.00	£49,868.44	£46,615.89	27.10%	£125,384.11	72.90%		£2,549.04
Series 54 Notes	£237,000.00	28 February 2020	17 March 2023	£774.99	£0.00	£1,549.98	£57,674.51	£4,649.94	£40,077.72	£4,649.94	£64,064.02	£75,183.75	31.72%	£161,816.25	68.28%		£11,624.85
Series 55 Notes	£209,000.00	09 April 2020	02 April 2021	£1,032.46	£0.00	£516.23	£50,260.27	£2,064.92	£37,379.07	£0.00	£60,596.03	£60,764.63	29.07%	£148,235.37	70.93%		£3,613.61
Series 56 Notes	£260,000.00	09 April 2020	09 April 2023	£850.20	£0.00	£1,700.40	£67,341.12	£5,101.20	£43,966.24	£5,101.20	£70,280.89	£78,411.75	30.16%	£181,588.25	69.84%		£12,753.00
TOTAL	£18,610,000.00			£72,929.45	£276,460.74	£144,801.80	£3,347,537.00	£274,648.64	£3,228,491.86	£203,786.86	£5,172,329.97	£6,585,180.43	35.39%	£12,024,819.57	64.61%		£696,166.75

APPENDIX B – Wellesley Group Investors Ltd – Summary of accounts filed since inception

WGIL GROUP Consolidated REPORT since inception to 31 12 2020									
DETAILS	opening periods	restated	restated	restated	restated	as filed	as filed	TOTAL YEARS	
YEAR	08/04/2013 to 30/06/2014	18 months to 31/12/2015	12 months to 31/12/2016	12 months to 31/12/2017	12 months to 31/12/2018	12 months to 31/12/2019	12 months to 31/12/2020	TOTAL YEARS	% of Net Revenue
Income from customers	£829,766	£18,429,507	£15,422,407	£14,086,146	£11,371,477	£13,763,000	£11,313,000	£85,215,303	
Interest paid to investors	£0	-£3,208,000	-£2,172,821	-£2,637,477	-£4,686,021	-£6,636,000	-£6,332,000	-£25,672,319	
Profits reported from Spanish JV	£0	£1,397,519	£2,171,211	£786,236	£326,000	£210,000	£62,000	£4,952,966	
Other income	£0	£0	£0	£0	£0	£2,420,000	£1,506,000	£3,926,000	
TOTAL NET REVENUES	**£829,766**	**£16,619,026**	**£15,420,797**	**£12,234,905**	**£7,011,456**	**£9,757,000**	**£6,549,000**	**£68,421,950**	
Cost of running Wellesley Group businesses	-£2,030,248	-£16,525,588	-£13,864,296	-£9,643,203	-£11,867,214	-£11,882,000	-£7,311,000	-£73,123,549	-106.87%
Loan write off and impairment	£0	-£3,378,864	-£3,426,846	-£6,990,116	-£5,152,276	-£4,150,000	-£9,942,000	-£33,040,102	-48.3%
Affiliate company write off (wsfp)						-£1,165,000	-£623,000	-£1,788,000	-2.6%
Exceptional items				-£3,699,685				-£3,699,685	-5.4%
TOTAL COSTS	**-£2,030,248**	**-£19,904,452**	**-£17,291,142**	**-£20,333,004**	**-£17,019,490**	**-£17,197,000**	**-£17,876,000**	**-£111,651,336**	**-163.2%**
WGIL NET PROFIT/(LOSS) BEFORE TAX (adjusted for investor creditor profit)	**-£1,200,482**	**-£3,285,426**	**-£1,870,345**	**-£8,098,099**	**-£10,008,034**	**-£7,440,000**	**-£11,327,000**	**-£43,229,386**	-63.2%
Coporation tax (charge)/credit	-£115,165	£757,278	-£17	-£678,722	-£47,000	-£393,000	£0	-£476,626	
Investor creditor profit via CVA							£37,485,000	£37,485,000	
WGIL Retained Profit/(Losses) per Accounts	**-£1,315,647**	**-£2,528,148**	**-£1,870,362**	**-£8,776,821**	**-£10,055,034**	**-£7,833,000**	**£26,158,000**	**-£6,221,012**	

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APPENDIX B - Wellesley Group Investors Ltd – Summary of accounts filed since inception

COST OF RUNNING THE WELLESLEY GROUP									
DESCRIPTION OF COST	08/04/2013 to 30/06/2014	18 months to 31/12/2015	12 months to 31/12/2016	12 months to 31/12/2017	12 months to 31/12/2018	12 months to 31/12/2019	12 months to 31/12/2020	TOTAL YEARS	% of Net Revenue
Staff payroll	£217,255	£2,909,655	£4,769,903	£4,100,237	£3,703,941	£3,221,000	£2,304,000	£21,225,991	30.3%
Directors payroll	£67,607	£1,365,325	£923,272	£1,033,679	£1,071,583	£972,000	£745,000	£6,178,466	9.2%
Advertising & Marketing	£607,415	£6,104,787	£3,012,868	£692,064	£2,662,532	£1,938,000	£830,000	£15,847,666	22.7%
Legal & Professional	£112,491	£977,740	£1,027,591	£510,683	£522,202	£1,364,000	£1,532,000	£6,046,707	8.7%
Rent & Occupancy	£0	£0	£0	£648,125	£623,664	£560,000	£422,000	£2,253,789	3.2%
Information Technology	£0	£0	£0	£436,514	£519,044	£604,000	£707,000	£2,266,558	3.2%
Vat Irrecoverable	£120,847	£2,181,031	£914,478	£232,412	£66,485	£25,000	£0	£3,540,253	4.9%
Administrative	£763,562	£2,055,821	£2,740,717	£1,512,364	£1,453,974	£1,038,000	£646,000	£10,210,438	14.5%
Depreciation & Amortisation	£27,411	£646,551	£406,406	£378,391	£835,481	£1,711,000	£36,000	£4,041,240	5.8%
Loss on asset disposal	£0	£0	£0	£0	£0	£53,000	£0	£53,000	0.1%
Exchange & Derivative	£0	£20,013	£72,219	£99,876	£417,308	£421,000	£95,000	£1,125,416	1.6%
Interest paid less (Interest Received)	£113,660	£264,665	-£3,158	-£1,142	-£9,000	-£25,000	-£6,000	£334,025	0.5%
Loan book write offs	£0	£3,378,864	£3,426,846	£6,990,116	£5,152,276	£4,150,000	£9,942,000	£33,040,102	47.4%
Exceptional	£0	£0	£0	£3,699,685	£0	£0	£0	£3,699,685	5.4%
Affiliate company write off (WSFP)	£0	£0	£0	£0	£0	£1,165,000	£623,000	£1,788,000	2.6%
TOTAL COSTS	**£2,030,248**	**£19,904,452**	**£17,291,142**	**£20,333,004**	**£17,019,490**	**£17,197,000**	**£17,876,000**	**£111,651,336**	**159.9%**
Profit made on investor creditors in 2020							-£37,485,000	**-£37,485,000**	-53.7%
TOTAL COSTS Adjusted for Investor Creditor profit on de-recognition	£2,030,248	£19,904,452	£17,291,142	£20,333,004	£17,019,490	£17,197,000	-£19,609,000	**£74,166,336**	106%
Footnotes									
The accounts for 2014/2015/2016 do not have an analysis of the Administrative costs split between-Occupancy, IT and other, so we have put this cost under Administrative in these years									
There are accounts to 08/04/2013 showing a loss of £62,276. This has been included in the accounts to 30/06/2014 as start up cost under Administrative costs for simplicity and being a small amount.									

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APPENDIX C – WELLESLEY GROUP INVESTORS LTD - INSOLVENCY RED FLAG

WELLESLEY GROUP INVESTORS LTD - HEADLINE RESULTS SINCE INCEPTION									
YEAR	08/04/2013 to 30/06/2014	18 months to 31/12/2015	12 months to 31/12/2016	12 months to 31/12/2017	12 months to 31/12/2018	12 months to 31/12/2019	12 months to 31/12/2020	TOTAL YEARS	% of Net Revenue
NET REVENUES OF WELLESLEY GROUP	£829,766	£16,619,026	£15,420,797	£12,234,905	£7,011,456	£9,757,000	£6,549,000	**£68,421,950**	**100.0%**
COSTS OF RUNNING WELLESLEY GROUP (adjusted for Investor creditor profit in 2020)	£2,030,248	£19,904,452	£17,291,142	£20,333,004	£17,019,490	£17,197,000	£17,876,000	**£111,651,336**	**163.2%**
PROFIT/(LOSSES) MADE AFTER TAX OF WELLESLEY GROUP	-£1,200,482	-£3,285,426	-£1,870,345	-£8,098,099	-£10,008,034	-£7,440,000	-£11,327,000	**-£43,229,386**	**-63.2%**
CLOSING NAV (adjusted for investor creditor profit in 2020)	-£565,648	-£922,000	-£1,870,362	-£4,652,128	-£14,441,446	-£22,692,000	-£34,019,000	-£34,019,000	insolvent
INSOLVENCY FLAG STATUS	OK	OK	OK	Deteriorating	RED FLAG	RED FLAG	RED FLAG	RED FLAG	