BAILIWICK INVESTMENTS

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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Registered Office	La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Directors	David Lowe OBE (Chairman) John Henwood MBE Charles Parkinson (resigned 30 September 2016) Sir Geoffrey Rowland QC (appointed 5 October 2016)
Manager, Broker and Market Maker	Ravenscroft Limited Level 5, The Market Buildings Fountain Street St. Peter Port Guernsey GY1 4JG
Administrator, Registrar and Secretary	Saffery Champness Fund Services Limited La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
TISE Listing Sponsor	Carey Commercial Limited 1st and 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW
Independent Auditor	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
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Registered Number	49479

Dear Shareholder

2016 has been a very eventful and encouraging year for the Company. We made two key acquisitions to add to our increasingly diverse portfolio and the majority of the existing portfolio performed either in line with or above our expectations. The Company took a significant stake in each of Sandpiper CI Limited and Prospero Holdings Limited, the Channel Island's largest retailer and the Isle of Man's largest facilities management company respectively.

Your board considered it was the right time to realise the return on its Breedon Group plc holding. This investment proved to be a solid investment over the years, providing the Company with significant capital growth. The Company also disposed of Jersey Water, another solid investment, early in 2017.

I am pleased to report that the net asset value (NAV) of the Company was £1.2620 as at 31st December 2016 (£1.1089 as at 31st December 2015). The earnings per share has increased from 9p to 21p. The significant uplift in the NAV reflects the strong performance of the underlying assets of the portfolio. Whilst it is a fact that the revaluation of some of these assets was the main contributor to the increase in the NAV, it is also pleasing to note that the investment income they produced also showed an increase of some 10%, and the Board is confident that this good news will continue through into 2017. Additionally, I am pleased that the Company has paid a total of 5.50p per share in dividends over the course of 2016, an increase on the prior year (5.25p) maintaining the steady growth of recent years.

Your Board will continue to work alongside our Investment Manager and the management teams of the existing investee entities in order to continue to provide solid returns to Shareholders. We continue actively to seek new investments to add to the portfolio to further enhance the success of the Company and shareholder value.

David Lowe
Chairman

11 April 2017

Net Asset Value per share as at 31 December 2016 was 126.20p (110.89p on 31 December 2015)

Current Share Price is 117p - 122p

Performance overview:

Ravenscroft Limited (the "Manager") is pleased to report a very encouraging update for Bailiwick Investments Limited (the "Company") for the year ended 2016.

The Company completed its investment in Sandpiper CI Limited ("Sandpiper") early in the year, taking a 40% stake in the business. Sandpiper is the Channel Islands' largest retailer and a valued addition to the Company's portfolio. Sandpiper recently announced that it is expanding into the Isle of Man, having reached agreement to purchase the entire issued share capital of the trading division of Tynwald Mills, the Isle of Man's only department store.

The Company also acquired a 49% stake in Prospero Holdings Limited ("Prospero"), an offshore facilities maintenance provider with operations in the Isle of Man, Jersey and Guernsey. Its largest presence is currently in the Isle of Man; however, Prospero has ambitions to increase its presence in the Channel Islands. The deal completed on 11th August 2016 and the Manager has already assisted Prospero in acquiring Strand Group, an Isle of Man based company that provides commercial cleaning, document management, commercial refuse collection and washroom services.

The latest investment by the Company, announced on 16th December 2016, was a 13.4% stake in SigmaRoc plc, the owners of the Channel Islands' based Ronez business. The deal completed on 5th January 2017.

The NAV has increased substantially during the year from 110.89p to 126.20p. This increase is a result of the excellent performance of the portfolio during the year, with a number of investments having outperformed their targeted profitability.

The Manager is confident that this performance can carry on into 2017 and it continues to work on a number of new opportunities to enhance the future value of the Company.

The Board last proposed a 3p per share dividend, which was paid on 30th December 2016, taking the total dividends for the year to 5.50p.

The share price is currently trading between 117p and 122p, with a total of 2,100,550 shares having been traded on the secondary market in the period during 2016.

Portfolio Review

Jacksons CI Limited – The Octane PCC Limited, Octane Cell ("Jacksons")

Jacksons managed to produce a solid set of figures, despite the retail car industry in the Islands having experienced a challenging year. Its recent Isle of Wight acquisition has proved very successful, and trading there is exceeding expectations. The initial stages of the Isle of Man development are now underway and we anticipate that this investment will add significant value to the business in years to come.

ASG Group Limited ("ASG")

ASG has had a very pleasing year and, as a result, terms were agreed to enable ASG's management to buy back equity from the Operational Company. This dilution will reduce the Company's shareholding in the Operational Company to just over a third. The annual result is very encouraging for the future and was helped by a major contract win during the year, allied to improved efficiencies in the operation of the business.

Sandpiper CI Limited ("Sandpiper")

Sandpiper is currently the largest investment in the portfolio, and it has performed exceptionally well since the Company's investment. It provides the Company with a solid income stream and offers good capital growth prospects, which the Manager expects to continue in the foreseeable future. Profitabilty prospects have also increased following the acquisition of Tynwald Mills in the Isle of Man, the acquisition of Costcutter (awaiting CICRA approval), and new franchise openings in Gibraltar and the Channel Islands.

Prospero Holdings Limited ("Prospero")

The investment in Prospero completed on 11th August 2016. Prospero is an offshore facilities maintenance provider, with operations in the Isle of Man, Jersey and Guernsey. Established in 2004, Prospero has grown to become well established in the three Islands with its largest presence in the Isle of Man. Following on from the original investment, the Manager has assisted Prospero in purchasing the Strand Group; an Isle of Man based cleaning and facilities management company.

Guernsey Recycling Group ("GRG")

Despite a challenging year characterised by low commodity prices, GRG still managed to increase profitability compared to its previous year. GRG completed two acquisitions during the year; Galaxy Computer Brokers, based in Guernsey, and Abbey & Reclamait, based in Jersey, with the latter giving GRG a platform in Jersey. In addition, GRG won a high profile contract in the Cayman Islands to process tyres from the George Town landfill site; this contract is expected to add both significant revenues and profits over the next 12 months. Trading in the core Guernsey business remains strong, with additional growth opportunities now available in Jersey and the Cayman Islands, and the Manager is very optimistic about GRG's future.

Acorn Group Holdings Limited ("Acorn")

Underlying trading remains strong and we are confident in the future value of this investment. However, in the short term the management team is dealing with compliance requirements imposed by new regulations. The costs of remediation and third party consultants are expected to be significant, impacting short-term profitability but protecting the longer term value of the business.

FB Limited ("Oatlands")

The restaurant is now under new management and is proving very popular. Work has been completed on the refurbishment of the kilns. Planning permissions have been granted for an exciting scheme that will add significant value to the site. Chris Coles and Gareth Griffin, with the assistance of the Manager, continue to work diligently to create the Oatlands vision as originally outlined.

MitonOptimal International Limited ("MOIL")

On 20th September 2016, the Company purchased an additional 3% in MOIL, taking the shareholding to 14%. MOIL itself completed the acquisition of Coram Asset Management Limited during the year and continues to analyse further acquisitions. The core business saw continued growth during the year, and further asset inflows are anticipated.

The International Stock Exchange Group Limited ("TISE") (Formerly Channel Islands Securities Exchange) ("CISE")

TISE listed its shares on the exchange during the year and, as a result, we have a readily available share price and investment value. 2016 proved to be a very positive year for the exchange, which saw an 18.7% increase in listings compared to the previous year. Total listings stood at 2,272 at the end of December 2016, and during the year the market capitalisation of all securities listed on the exchange increased by £36bn to reach £393bn by the year end.

SigmaRoc Plc ("SigmaRoc")

Early in 2017 the Company acquired a 13.4% stake in the ordinary shares of SigmaRoc plc, an AIM listed company. In addition, the Company purchased £2m Convertible Loan Notes in SigmaRoc. As part of this transaction, SigmaRoc purchased 100% of Ronez, the Channel Islands' based aggregates and concrete business.

The Ronez operations supply the Channel Islands with aggregates, ready-mixed concrete, asphalt and precast concrete products. Operating out of St John's Quarry in Jersey and Les Vardes Quarry and Vale Castle in Guernsey, they offer a full range of high-quality construction materials.

Nelson House

After an annual revaluation, the value of Nelson House increased to £6.74m.

Conclusion

Together with the Board, the Manager is committed to ensuring the active management of the investment portfolio. The Manager continues to work alongside the management teams of the investment companies to provide the best possible return on investment to the Company's shareholders. The Manager is presently exploring additional investment opportunities which, if successfully concluded, will add further growth and diversify the portfolio.

The Company's existing portfolio continues to provide sufficient income to fund the dividend distribution policy.

Ravenscroft Limited

11 April 2017

The Directors are pleased to present their report together with the audited consolidated financial statements of Bailiwick Investments Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards ('IFRS').

Background

The Company is a closed-ended investment company registered with limited liability in Guernsey on 22 September 2008 and is authorised under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. On 15 December 2008 the Company was admitted to the Channel Islands Securities Exchange (the "CISE" (formerly CISX)) and following the rebrand of the CISE on 6 March 2017, the Company is now listed on The International Stock Exchange ("TISE").

Principal activity

The principal activity of the Company is to achieve long term capital growth by investment in a diversified portfolio of investments, principally in businesses, property and assets situated, registered, headquartered in or managed from the Channel Islands or in relation to which through the involvement of Channel Islands businesses or individuals, resident in the Channel Islands, there is a material Channel Islands interest.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 16. During the year, following approval by the Directors, the Company paid a dividend of 2.50 pence per share on 20 June 2016, and a further dividend of 3.00 pence per share on 30 December 2016 (2015: a dividend of 3.00 pence per share on 5 January 2015, a dividend of 2.25 pence per share on 19 June 2015 and a further dividend of 3.00 pence per share on 29 December 2015).

Going Concern

The Directors have carefully reviewed the Company's current financial resources and the projected expenses of the Company for the next 12 months. On the basis of that review the Directors are satisfied that the Company’s resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the Company's consolidated financial statements on a going concern basis.

The Alternative Investment Fund Managers Directive

The Directive, which was implemented by EU Member States in 2013, covers the management, administration and marketing of alternative investment funds (“AIFs”). Its focus is on regulating alternative investment fund managers (“AIFMs”) established in the EU and prohibits such managers from managing any AIFs or marketing shares in such funds to investors in the EU unless an AIFMD authorisation is granted to the AIFM. The Company is a non-EU AIF whose AIFM is the Company itself (i.e. self managed) for the purpose of the Directive.

Directors

The Directors who served on the Board during the year, together with their beneficial interests at 31 December 2016 and at 31 December 2015, were as follows:

	2016		2015	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
David Lowe	1,000,000	1.89%	1,000,000	1.89%
John Henwood	75,000	0.14%	75,000	0.14%
Sir Geoffrey Rowland	300,000	0.57%	n/a	n/a
Charles Parkinson	-	-	-	-

Significant Shareholdings

The following shareholdings represent interests of 10 per cent or more of the shares of the Company as at 31 December 2016:

	2016		2015	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited – KGCLT	48,692,913	91.94%	49,188,320	92.88%

Corporate Governance

A report on Corporate Governance is included on pages 9 to 13.

Statement of directors' responsibilities in respect of consolidated financial statements

The Directors are responsible for preparing consolidated financial statements for the period which give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the profit or loss of the Group for that period in accordance with The Companies (Guernsey) Law, 2008, as amended (hereinafter referred to as The Companies (Guernsey) Law, 2008). In preparing these consolidated financial statements, the directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements and that to the best of our knowledge and belief:

(a) The Chairman's Statement, the Investment Manager's Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that the Group faces; and

(b) that in the opinion of the Board, the Annual Report and Consolidated Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Group's performance, business model and strategy; and

(c) The consolidated financial statements, prepared in accordance with IFRS give a true and fair view of the assets, liabilities, financial position and results of the Group.

Disclosure of information to auditors

In accordance with The Companies (Guernsey) Law, 2008, each Director confirms that there is no relevant audit information of which the Group's Auditor is unaware. Each Director also confirms that he has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Secretary

The Secretary of the Company at 31 December 2016 was Saffery Champness Fund Services Limited.

Independent auditor

The independent auditor, Grant Thornton Limited, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting.

David Lowe	Sir Geoffrey Rowland
Chairman	Director

11 April 2017

The Directors present their corporate governance report for the year ended 31 December 2016.

As a Guernsey registered company and under the TISE Rules, the Company is not required to comply with The UK Corporate Governance Code published by the Financial Reporting Council in September 2014 ("the Code"). However, it is the Company's policy to comply with best practice on good corporate governance that is applicable to investment companies. The Board has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that have specific relevance to the Group. The Board considers this will provide better information to shareholders. On 1 January 2012 the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission ("Guernsey Code") became effective. The Board has considered, reviewed and reaffirmed the adoption of procedures to ensure the Company's operations comply with the Guernsey Code.

Independent Non Executive Directors

The AIC Code recommends that a majority of the Board should be independent of the Manager. The Board is composed of three non-executive Directors. The Board has carefully considered the Directors' independence and has determined that the Directors will discharge their duties in an independent manner.

Each of the non-executive directors are deemed by the Directors to be independent.

Senior Independent Director

The AIC Code recommends that the Board should appoint one of the independent non-executive Directors as senior independent director. The senior independent director is available to Shareholders if they have concerns which contact through the normal channel of Chairman has failed to resolve or for which contact through the Chairman is inappropriate. The Directors have appointed John Henwood as senior independent director.

Board and committee meeting attendance

	Board meetings	**Audit Committee meetings**
David Lowe	8 / 8	3 / 3
John Henwood	6/ 8	3 / 3
Sir Geoffrey Rowland	3 / 3	1 / 1

The Board has engaged external companies to undertake the investment management, administrative and custodial activities of the Company. Clear documented contractual arrangements are in place with these firms, which define the areas where the Board has delegated responsibility to them. The Company holds at least four Board meetings per year, at which the Directors review the Company's investments and all other important issues to ensure control is maintained over the Company's affairs.

In addition to the formal board meetings there is regular contact with the Manager and other advisors. The focus of these meetings is a review of investment performance, investment opportunities and related matters such as gearing, property valuations, asset allocation, investor relations, risk management, administration and compliance.

Members of the Board have met with the Manager regularly throughout the financial period. Meetings are generally on an ad-hoc basis.

The Board does not believe it is appropriate for the Company, as an investment company with no executive directors, to have a separate Nomination Committee or a separate Remuneration Committee. This is reviewed on an annual basis.

Performance of Board and Proposal for Re-election

During the year, the Board has undertaken a comprehensive evaluation of its own performance and that of individual Directors. This was conducted using detailed questionnaires. The Board has considered and discussed the outcomes of the evaluations and is satisfied that it is operating well and focused on the correct strategic issues.
Pursuant to the Articles of Association of the Company, any Director appointed by the Board shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

Directors' Information

David Lowe

David Lowe worked for 37 years with Bucktrout & Co Limited, becoming Managing Director in 1980 before retiring in 1993. David was elected Jurat of the Royal Court of Guernsey in 1993.

David has also served as Non-Executive chairman of Barclays Finance Company (Guernsey) Limited and Non-Executive Director of Lazards Channel Islands Limited, International Energy Group Limited, Ann Street Group Limited, C.I. Traders Limited, Islands Insurance Holdings Limited, Burford Capital Limited as well as several other private local companies.

David was honoured with the award of the OBE in 2006 for services to the Royal Court of Guernsey.

John Henwood

John Henwood is chairman of G4S Secure Solutions in Jersey and a director of a number of other entities. His early career was in broadcasting when he was chief executive of the Channel Television (ITV) group and held a number of wider television industry posts. John was chairman of Jersey Telecom (JT) and led the business through incorporation. More recently, he was chairman of Visit Jersey after a shadow board recommendation that government should no longer be responsible for marketing the Island as a destination. John was honoured with the award of the MBE in 1998 for services to broadcasting and the community.

Sir Geoffrey Rowland

Sir Geoffrey Rowland read law at Southampton University and was called to the Bar in London. Returning to Guernsey he practised as an Advocate in the firm Collas, Day & Rowland, where he became the Senior Partner. In 1992 he was appointed to Crown Office and served successively as HM Comptroller, HM Procureur, Deputy Bailiff and Bailiff. He is a Master of the Bench of his Inn of Court, Grays Inn. For four years he was the Vice Chairman of the Guernsey Financial Services Commission.

As a non-executive director he served on the boards of 3i Guernsey, 3i Jersey, The Guernsey Press Company (as Chairman), Garenne Group, Blue Diamond, a number of Channel Island banks, trust and captive insurance companies and collective investment schemes.

He was appointed Queen's Counsel in 1993 and was honoured with the award of a Knighthood in 2009. The Universities of Southampton and Bournemouth have conferred on Sir Geoffrey Honorary Doctorates of Law.

AUDIT COMMITTEE

The Audit Committee meets at least twice a year and was chaired by Charles Parkinson until 30 September 2016, and by John Henwood from 1 October 2016 onwards. The Audit Committee reviews the Financial Statements and is responsible for overseeing the Company's relationship with the external auditor, including making recommendations to the Board on the appointment of the external auditor and its remuneration. The Audit Committee considers the nature, scope and results of the auditor's work and reviews, develops and implements policy on the supply of non-audit services that are to be provided by the external auditor. The ultimate responsibility for reviewing and approving the annual report and consolidated financial statements remains with the Board.

The terms of reference for the Audit Committee are available from the Company Secretary on request.

Risk management and internal controls

The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee. The work of the Audit Committee is driven primarily by the Company's assessment of its principal risks and uncertainties which are detailed below, and it receives regular reports from the Investment Manager and the Administrator on the Company's risk evaluation process and reviews changes to significant risks identified. At least annually the Audit Committee reviews an in-depth Risk Matrix detailing the risks faced by the Company and what actions are taken or put in place to mitigate these risks.

Investment risk, including investment valuation risk, is a significant risk for the Company. The success of the business model of the Company and also its future performance is dependent upon the identification, making, management and realisation of suitable investments. There can be no guarantee that such investments will be successful. Poor performance by any investment could severely affect the NAV per Ordinary Share and/or the market price of the Ordinary Shares. Investments to be made by the Company are dependent upon the judgement and ability of the Board, with the advice of the Investment Manager. Prior to making an investment the Board takes into consideration a detailed acquisition report, including extensive due diligence, prepared by the Investment Manager which has extensive knowledge of the market. All investment acquisitions must be within strict guidelines monitored by the Board, the Investment Manager and the Administrator.

The Board tracks the investments valuation risk throughout the year and receives regular updates from the investment management.

Other principal risks identified by the Board include market risk, credit risk and liquidity risk. Details of the mitigation of these risks can be found in note 11 to the financial statements.

The Audit Committee also focuses primarily on compliance with legal requirements, accounting standards and the TISE Rules and ensuring that the Company has an effective system of internal controls, including financial, operational and compliance controls and risk management systems and has procedures in place for the review of such controls on an annual basis.

Risk management and internal controls (continued)

The Board is responsible for establishing and maintaining the Company's system of internal control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal controls are as follows:

- Saffery Champness Fund Services Limited is responsible for the provision of administration and company secretarial duties;
- The duties of investment management, accounting and the custody of assets are segregated. The procedures are designed to complement one another;
- The Non-Executive Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts;
- The Board reviews financial information produced by the Manager and the Administrator on a regular basis;
- On an ongoing basis, compliance reports are provided at each Board meeting by the Administrator.

The Company does not have an internal audit department. All of the Company's management functions are delegated to independent third parties and it is therefore felt that there is no need for the Company to have an internal audit facility.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed the Financial Reporting and Operating Procedures and assessed them as appropriate for managing the risks affecting the Company.

Review of the Independent Auditor

The Audit Committee has responsibility for making recommendations on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the auditor. Subject to the annual appointment of the auditor by the shareholders, the Audit Committee conducts a continuous review of the relationship between the Company and the auditor.

The AIC Code recommends that FTSE 350 companies retender their audits at least every ten years. The Company has not tendered the audit since its incorporation in 2008. Since then Grant Thornton's effectiveness has been annually assessed by the Audit Committee, which has not considered it necessary to require the firm to tender for the audit work. The auditor is required to rotate the audit partner responsible for the audit every five years.

The Audit Committee reviews the effectiveness of the external audit process on an annual basis. This assessment includes consideration of the auditor's independence and objectivity, taking into consideration relevant laws, regulations and professional requirements; consideration of the audit fees and fees in respect of non-audit services; the nature and scope of the external audit and discussions on such issues as compliance with accounting standards. The assessment involves considering all relationships between the Company and the auditor, including the nature and quantum of non-audit services. Assurances are obtained from the auditor that it and its staff have no financial, business, employment, family or other personal relationship with the Company that could affect the auditor's independence and objectivity. The auditor explains to the Audit Committee its policies and processes for maintaining independence and monitoring compliance with relevant requirements.

Review of the Independent Auditor (continued)

The Audit Committee, having considered the auditor's performance during their period in office, recommends re-appointment. The audit fees of £24,245 (2015: £16,500) for Grant Thornton Limited were discussed by the Audit Committee and considered appropriate given the current size of the Company/Group and the level of activity undertaken during the year.

Having reviewed the annual report and accounts in detail and considered all matters brought to the attention of the Board during the year, the Audit Committee members consider that, taken as a whole, the report and accounts provide a fair, balanced and understandable representation of the Group's affairs.

Significant issues considered by the Audit Committee since 1 January 2016 have been the review of the annual report and audited financial statements for the period ended 31 December 2015 and the half yearly report and unaudited condensed financial statements for the period from 1 January 2016 to 30 June 2016.

The Audit Committee received from Grant Thornton Limited a detailed audit approach memorandum, identifying their assessment of high risk areas of the audit. For the period under review, the significant risks identified were in relation to improper revenue recognition, management over-ride of controls and the valuation of investments.

Relations with shareholders

The Board welcomes correspondence from shareholders, addressed to the Company's registered office. All shareholders have the opportunity to put questions to the Board at the Annual General Meeting. The Board hopes that as many shareholders as possible will attend the meeting.

The Manager continues also to be available to offer individual meetings to shareholders.

To the members of Bailiwick Investments Limited

Our opinion on the consolidated financial statements is unmodified

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the affairs of Bailiwick Investments Limited (the "Group") as at 31 December 2016 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Who we are reporting to

This report is made solely to the company’s members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

Bailiwick Investments Limited's consolidated financial statements for the year ended 31 December 2016 comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as issued by the IASB.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited consolidated financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Under the TISE Listing Rules we are required to review:

- details of any emoluments or other income payable to the directors and any investment manager, custodian and manager/administrator during the period under review.

Matters on which we are required to report by exception (continued)

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

We have nothing to report in respect of the above.

Responsibilities for the financial statements and the audit

What an audit of financial statements involves:
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

What the directors are responsible for:
As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What are we responsible for
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey, Channel Islands

12 April 2017

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	**1.1.16 to 31.12.16 £**	1.11.14 to 31.12.15 £
Income			
Net gain on financial assets and liabilities at fair value through profit or loss	5	**10,880,312**	2,370,579
Investment income		**2,495,081**	2,250,121
Loan interest income		**39,082**	87,241
Bank interest income		**12,471**	2,302
		13,426,946	4,710,243
Expenses			
Performance fee	3	**1,053,842**	141,145
Management fees	3	**604,882**	395,740
Loan interest expense		**141,826**	311,744
Administration and other expenses	4	**602,561**	898,457
		2,403,111	1,747,086
Profit and total comprehensive income for the year/period		**11,023,835**	2,963,157
Weighted average shares in issue during the year/period		**52,960,000**	32,886,712
Earnings per Ordinary Share (basic and diluted)	17	**£0.21**	£0.09

All items in the above statement are derived from continuing operations.

The accompanying notes form an integral part of these consolidated financial statements.

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Assets			
Financial assets at fair value through profit or loss	5, 6		
Investment in subsidiaries		**11,990,078**	12,407,310
Equities		**50,087,961**	26,494,687
Due from broker		**707,979**	89,694
Other receivables and prepayments	7	**19,208**	155,377
Cash and cash equivalents	8	**8,124,641**	22,986,223
Total assets		**70,929,867**	62,133,291
Liabilities			
Borrowings	9	**2,847,484**	3,008,083
Other payables	10	**1,244,655**	398,515
Total liabilities		**4,092,139**	3,406,598
Net assets		**66,837,728**	58,726,693
Equity			
Share capital	12	**-**	-
Share premium	12	**54,241,526**	54,241,526
Retained earnings		**12,596,202**	4,485,167
Total equity		**66,837,728**	58,726,693
Net Asset Value per Ordinary Share	14	**1.2620**	1.1089

Approved and authorised for issue by the Board of Directors on 11 April 2017 and signed on its behalf by:

David Lowe
Chairman

Sir Geoffrey Rowland
Director

The accompanying notes form an integral part of these consolidated financial statements.

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 November 2014	-	25,581,500	4,050,602	29,632,102
Share issue December 2014 - net proceeds	-	6,810,015	-	6,810,015
Share issue December 2015 - net proceeds	-	21,850,011	-	21,850,011
Profit and total comprehensive income for the period	-	-	2,963,157	2,963,157
Dividends	-	-	(2,528,592)	(2,528,592)
Balance at 31 December 2015	-	54,241,526	4,485,167	58,726,693
Profit and total comprehensive income for the year	-	-	11,023,835	11,023,835
Dividends	-	-	(2,912,800)	(2,912,800)
Balance at 31 December 2016	-	54,241,526	12,596,202	66,837,728

The accompanying notes form an integral part of these consolidated financial statements.

	Notes	1.1.16 to 31.12.16 £	1.11.14 to 31.12.15 £
Cash flows from operating activities			
Profit and total comprehensive income for the year/period		**11,023,835**	2,963,157
Adjusted for:			
Increase in amount due from broker		**(618,285)**	(37,331)
Decrease/(increase) in other receivables		**136,169**	(40,921)
Increase in other payables		**846,140**	99,862
Purchase of financial instruments		**(15,290,929)**	(22,751,884)
Proceeds from sale of financial instruments		**2,995,199**	23,339,482
Net gain on financial assets at fair value through profit or loss	5	**(10,880,312)**	(2,370,579)
(Decrease)/Increase in loan interest payable		**(2,269)**	16,803
Amortisation of borrowing costs		**41,670**	48,615
Net cash flows (used in)/from operating activities		**(11,748,782)**	1,267,204
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**-**	28,660,026
Borrowings repaid		**(200,000)**	(8,050,000)
Dividends paid to shareholders	13	**(2,912,800)**	(2,528,592)
Net cash flows (used in)/from financing activities		**(3,112,800)**	18,081,434
Net (decrease)/increase in cash and cash equivalents		**(14,861,582)**	19,348,638
Cash and cash equivalents at start of year/period		**22,986,223**	3,637,585
Cash and cash equivalents at end of year/period		**8,124,641**	22,986,223
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest		**102,425**	246,326

The accompanying notes form an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

Bailiwick Investments Limited (the "Company") is a closed-ended investment company registered with limited liability in Guernsey on 22 September 2008 and is authorised under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. On 15 December 2008 the Company was admitted to the Channel Islands Securities Exchange (the "CISE") and following the rebrand of the CISE on 6 March 2017, is now listed on The International Stock Exchange ("TISE").

The principal activity of the Company and its subsidiaries (collectively the "Group") is to achieve long term capital growth by investment in a diversified portfolio of investments, principally in businesses, property and assets situated, registered, headquartered in or managed from the Channel Islands or in relation to which through the involvement of Channel Islands businesses or individuals, resident in the Channel Islands, there is a material Channel Islands interest.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in the preparation of the consolidated financial statements:

Statement of compliance and basis of preparation

The consolidated financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board (IASB) and effective at 31 December 2016; and comply with The Companies (Guernsey) Law, 2008.

The consolidated financial statements have been prepared on a historical-cost basis, except for financial assets held at fair value through profit or loss that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Basis of consolidation

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Directors have determined that the Company meets the definition of an "Investment Entity" as it is defined by IFRS 10 and, as such, is required not to consolidate investments in subsidiaries, except to the extent that a subsidiary provides investment related services to the Group. Unconsolidated subsidiaries are classified as fair value through profit or loss and measured at fair value. The Directors have determined that the Group's subsidiary Bailiwick Property Holdings Limited ("BPHL") contributes to the management of the Group and thus BPHL has been consolidated within these financial statements. Intra-group transactions, balances and unrealised gains on transactions between the Group and BPHL are eliminated on consolidation. Investments in associates are also classified as fair value through profit or loss, and measured at fair value.

Significant accounting estimates and judgements

The Directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements (continued)

Fair value measurement

When the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include using a valuation model based on a multiple of earnings. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the consolidated statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2016 is included in note 6 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

Assessment as an investment entity

Entities that meet the definition of an investment entity within amendments to IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board has concluded that the Company has all of the characteristics set out above and thus meets the definition of an Investment Entity.

In addition, IFRS 10 states that if an investment entity has a subsidiary that provides investment related services or activities to the entity then it shall consolidate that subsidiary. Bailiwick Property Holdings Limited has obtained bank financing on behalf of the Group and provides financial support to the Group by way of intra-group loans. As this investment related activity is significant to the Group as a whole the Board has concluded that Bailiwick Property Holdings Limited should be consolidated.

Standards and interpretations effective and adopted in the current year

- IFRS 10, IFRS 12 and IAS28 - Investment Entities: Applying the Consolidation Exception (Amendments) exemption.

Standards, amendments and revisions effective from 01 January 2016

- IAS 1 – Disclosure initiative (Amendments)
- IFRS 10 and IAS 28 – Sale and Contribution of Assets between investors and its associates or Joint venture (Amendments)
- Annual improvements 2012 – 2014 Cycle
- IAS27 – Equity Method in Separate Financial Statements
- IAS 16 and IAS 41 – Agriculture: Bearer Plants
- IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation
- IFRS 11 – Accounting for Acquisitions of interests in Joint Operations (Amendments)
- IFRS 14 – Regulatory deferral accounts

The Group's management has assessed that the above standards, amendments and revision do not have a material impact on the Group's results or financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

- IFRS 16 – Leases (effective 01 January 2019)
- IAS 40 – Transfers of Investment Property (effective 01 January 2018)
- IFRIC 22 – Foreign Currency transactions and advance consideration (effective 01 January 2018)
- IFRS 1/IAS 28 – Annual Improvements to IFRS 2014 – 2016 (effective 01 January 2018)
- IFRS 12 – Annual Improvements to IFRS 2014 – 2016 (effective 01 January 2017)
- IFRS 4 – Applying IFRS 9 Financial Instruments with Insurance Contracts (effective 01 January 2018)
- IFRS 9 – Financial Instruments (2014) (effective 01 January 2018)
- IFRS 2 – Classification and measurement of share based payment transactions (effective 01 January 2018)
- IFRS 15 – Revenue from contracts with customers (effective 01 January 2018)
- IAS 7 – Cash-Flow Disclosure initiative (Amendments) (effective 01 January 2017)
- IAS 12 – Recognition of deferred tax assets for unrealised losses (effective 01 January 2017)

The Group's management has assessed that the above standards, amendments and revision do not have a material impact on the Group's results or financial position.

Functional and presentation currency

The performance of the Group is measured and reported to investors in Sterling. The Directors consider Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Financial Assets and Financial Liabilities

Financial assets and financial liabilities comprise financial assets at fair value through profit or loss, cash and cash equivalents, borrowings, amounts due from broker, other receivables and payables.

Financial instruments

(a) Classification

The Group classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets at fair value through profit or loss

The Group classifies its investments in subsidiaries and associates, debt and equity securities, and derivatives as financial assets at fair value through profit or loss. These financial assets are either held for trading or designated by the Board of Directors at fair value through profit or loss at inception. Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. All derivatives and short positions are also included in this category. The Group does not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's investment strategy as documented in its offering memorandum, and information about these financial assets and liabilities are evaluated by the management of the Group on a fair value basis together with other relevant financial information.

The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into:

Financial instruments designated as at fair value through profit or loss upon initial recognition

These include investment in subsidiaries and investment in associates. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Group as set out in the Company's offering document.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investment in subsidiaries:

In accordance with the investment entity exemption of IFRS 10 Consolidated Financial Statements, the Group does not consolidate subsidiaries in the financial statements except for BPHL. Investments in subsidiaries are accounted for as financial assets at fair value through profit or loss.

Investment in associates:

In order to meet the definition of an investment entity under IFRS 10, the Group must measure and evaluate substantially all of its investments on a fair value basis. In this regard, the Group does not account for its investment in associates using the equity method. Instead, the Group has elected to measure its investment in associates at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group includes in this category amounts relating to other short-term receivables.

(b) Recognition

Financial assets at fair value through profit or loss are recognised when the Group becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Dividend and interest revenue relating to the Group's investments in equity and debt securities is recognised when the right to receive a payment is established.

(c) Measurement

At initial recognition financial assets are measured at fair value. Transaction costs on financial assets at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest earned on financial assets at fair value through profit or loss and dividend are disclosed in a separate line item in the statement of comprehensive income. Fair value is determined in the manner described in Note 6.

All loans and receivables are initially recognised at fair value. After initial recognition loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

(d) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

Realised gains and realised losses on derecognition are determined using the average cost method and are included in profit or loss for the period in which they arise.

(e) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Due to/from brokers

The Group utilises Ravenscroft Limited for its trading and custodial activities. The clearing and depository operations for the Group's custodial activities are performed pursuant to agreements with Ravenscroft Limited. Due to/from brokers includes cash balances. The Group estimates that the net realisable amount of all due to/from brokers balances at 31 December 2016 does not differ materially from the carrying values recorded in the consolidated statements of assets and liabilities due to their short-term nature.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank with a maturity of less than three months at the date of inception.

Borrowings

All borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition borrowings are subsequently measured at amortised cost using the effective interest rate method. Set up costs associated with any borrowings are capitalised and charged to the Consolidated Statement of Comprehensive Income are amortised over the life of the related borrowings.

Borrowing costs are recognised as an expense in the period in which they are incurred regardless of how the borrowings are applied and no borrowing costs are capitalised as part of the cost of an asset.

Ordinary shares

The Company has no planned end date and shareholders will not be entitled to require the Company to redeem their shares at any time. Ordinary shares are classified as equity.

Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business.

Income and expenses

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value though profit or loss. Dividend income is recognised when the right to receive payment is established.

Expenses are recognised on an accruals basis.

Taxation

The company is eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, and has paid an annual exemption fee of £1,200 (2015:£1,200).

3 MATERIAL AGREEMENTS

The Group is responsible for the continuing fees of the Administrator and the Investment Manager in accordance with the Administration Agreement dated 3 December 2008 and Investment Management Agreement dated 11 December 2014.

Administration fees

The Administrator is entitled to receive an annual fee equal to 0.15% of the Net Asset Value ("NAV") of the Group payable quarterly in arrears, subject to a minimum annual fee of £60,000. The Administrator is also entitled to a fixed annual fee of £8,000 for administering the Company's subsidiary, BPHL, and an annual fee of £5,000 in respect of registrar services.

Management fees

The Manager is entitled to an annual management fee of 1.0% of the adjusted closing NAV, excluding cash and cash equivalents, and 0.1% on cash and cash equivalents. This fee is payable quarterly in advance.

Performance fees

The Manager is also entitled to a performance fee calculated by taking an amount equal to 10% of the amount by which, at the end of any accounting period, the NAV per Ordinary Share exceeds the greater of (i) the Hurdle NAV per Ordinary share; and (ii) the High Watermark, and multiplying such amount by the weighted average number of Ordinary Shares in issue for the relevant performance period. The performance fee is calculated quarterly and is payable upon realisation of assets. No performance fee becomes payable unless the Hurdle NAV per Ordinary Share of 2% over the Bank of England base rate is exceeded for the relevant period. When the performance fee becomes payable, 80% is payable to the Investment Manager and the remaining 20% is paid into a clawback account. Amounts remaining in this account that have not been subject to clawback after 36 months or more after the end of the Accounting Period to which they relate, are then paid to the Investment Manager. A performance fee of £1,053,842 (2015: £141,145) is accrued in respect of the current period and remains outstanding at the year end (2015: £141,145) .

Directors' fees

The Company, as a self managed AIF, is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its Directors and senior management is in line with the risk policies and objectives of the alternative investment fund.

The total remuneration paid to the Directors for the year ended 31 December 2016 amounted to £105,380 (2015: 105,000). David Lowe is entitled to an annual fee of £35,000 (2015:£30,000), John Henwood, Charles Parkinson and Sir Geoffrey Rowland were each entitled to an pro-rata annual fee of £27,500 (2015: £27,500). During 2016 directors' fees totalling £15,000 were paid in addition to the annual fees in reconition of additional time spent.

4 ADMINISTRATION AND OTHER EXPENSES

	1.1.16 - 31.12.16 £	**1.11.14 - 31.10.15 £**
Administration fees	**100,307**	95,301
Audit fees	**24,245**	16,500
Directors' fees	**105,380**	105,000
Registrar fees	**5,000**	5,833
Legal and professional fees	**321,105**	589,298
Other expenses	**46,524**	86,525
	602,561	898,457

5 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and financial liabilities

	Financial assets at FVTPL £	Loans and receivables (amortised cost) £	Total £
31 December 2016			
Financial assets			
Investment in subsidiaries	**11,990,078**	**-**	**11,990,078**
Equities	**50,087,961**	**-**	**50,087,961**
Due from broker	**-**	**707,979**	**707,979**
Other receivables	**-**	**11,750**	**11,750**
Cash and cash equivalents	**-**	**8,124,641**	**8,124,641**
	62,078,039	**8,844,370**	**70,922,409**

	Other liabilities (amortised cost) £	Total £
31 December 2016		
Financial liabilities		
Borrowings	**2,847,484**	**2,847,484**
Other payables	**1,244,655**	**1,244,655**
	4,092,139	**4,092,139**

	Financial assets at FVTPL £	Loans and receivables (amortised cost) £	Total £
31 December 2015			
Financial assets			
Investment in subsidiaries	12,407,310	-	12,407,310
Equities	26,494,687	-	26,494,687
Due from broker	-	89,694	89,694
Other receivables	-	145,918	145,918
Cash and cash equivalents	-	22,986,223	22,986,223
	38,901,997	23,221,835	62,123,832

	Other liabilities (amortised cost) £	Total £
31 December 2015		
Financial liabilities		
Borrowings	3,008,083	3,008,083
Other payables	398,515	398,515
	3,406,598	3,406,598

A description of the Group's financial instrument risks, including risk management objectives and policies is given in note 11.

5 FINANCIAL ASSETS AND LIABILITIES (continued)

Financial assets at fair value through profit or loss

	2016	2015
	£	£
Designated at fair value through profit or loss at inception		
Investment in subsidiaries	**11,990,078**	12,407,310
Equities	**50,087,961**	26,494,687
Interest bearing investments	**-**	-
	62,078,039	38,901,997

	2016	2015
	£	£
Fair value brought forward	**38,901,997**	37,119,016
Purchases at cost	**15,290,929**	22,751,884
Sales	**(2,995,199)**	(23,339,482)
Net gain on financial assets and liabilities at fair value through profit or loss	**10,880,312**	2,370,579
Fair value carried forward	**62,078,039**	38,901,997
Represented by:		
Closing book cost	**50,014,495**	35,956,696
Closing revaluation of investments	**12,063,544**	2,945,301
	62,078,039	38,901,997

Borrowings at amortised cost

Borrowings comprise a floating rate term loan facility with The Royal Bank of Scotland International Limited (see note 9).

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Other receivables
- Cash and cash equivalents
- Other payables

6 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS has a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. The three levels of inputs are:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources actively involved in the relevant market.

Unless caused by a specific event, the Group recognises transfers between levels of fair value hierarchy as at the end of the reporting period during which the change has occurred.

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities measured at fair value at 31 December 2016:

	Level 1	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Investments at fair value				
Equity securities				
Construction	**392,563**	**-**	**-**	**392,563**
Financial services	**1,125,000**	**-**	**7,735,567**	**8,860,567**
Investment Property	**-**	**-**	**433,800**	**433,800**
Utilities	**2,070,000**	**690,000**	**-**	**2,760,000**
Motor Trade	**-**	**-**	**12,493,000**	**12,493,000**
Facilities management	**-**	**-**	**1,146,960**	**1,146,960**
Waste recycling	**-**	**-**	**5,674,024**	**5,674,024**
Retail	**-**	**-**	**18,327,047**	**18,327,047**
Investment in subsidiaries				
Aircraft services	**-**	**-**	**4,527,000**	**4,527,000**
Investment Property	**-**	**-**	**6,834,758**	**6,834,758**
Financial Services	**-**	**-**	**628,320**	**628,320**
	3,587,563	**690,000**	**57,800,476**	**62,078,039**

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities measured at fair value at 31 December 2015:

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Investments at fair value				
Equity securities				
Construction	1,950,000	-	-	1,950,000
Financial services	-	568,750	7,096,333	7,665,083
Investment Property	-	-	447,135	447,135
Utilities	2,337,500	650,000	-	2,987,500
Motor Trade	-	-	9,650,000	9,650,000
Waste recycling	-	-	3,794,969	3,794,969
Investment in subsidiaries				
Aircraft services	-	-	4,555,000	4,555,000
Investment Property	-	-	6,848,801	6,848,801
Financial Services	-	-	1,003,509	1,003,509
	4,287,500	1,218,750	33,395,747	38,901,997

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

When fair values of listed equity and debt securities at the reporting date are based on quoted market prices or binding dealer price quotations and are actively traded, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment-grade corporate bonds and listed equities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The fair value of the Group's holding in Jersey Water, which is an equity security classified within Level 2, is based on prices provided by market makers on a matched bargain basis. During the year the investment in The International Stock Exchange Group Limited was transferred from Level 2 to Level 1 as its shares were listed on 23 June 2016.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments may include private equity and corporate debt securities. As observable prices are not available for these securities, the Group uses valuation techniques to derive the fair value.

Bailiwick Investment Holdings Limited and Column Holdings Limited are valued at their net asset value, as calculated by their administrator, Saffery Champness Fund Services Limited. Column Holdings Limited owns investment property which is measured at fair value based on market valuation at the reporting date, in accordance with the definition of market value as set out in the RICS Valuation and Standards. Bailiwick Investment Holdings Limited owns a former vinery site in Guernsey. The investment manager has obtained a professional valuation for this site which approximates fair value.

The investments in Acorn Group Holdings Limited, ASG Group Limited, F B Limited, Guernsey Recycling (1996) Limited, MitonOptimal International Limited, The Octane PCC Limited - Octane Cell and Sandpiper Topco Limited are valued using a valuation model based on a multiple of earnings developed by reference to actual market transactions and also by taking into consideration the size and reputation of each company and their growth potential.

The purchase of the invesment in Prospero Holdings Limited took place in August 2016. The Investment Manager considers the purchase cost is a reliable representation of the fair value of Prospero Holdings Limited.

The Investment Manager has valued the investment in The Channel Islands Stock Exchange, which is in liquidation, at 50p per share as the GFSC regulatory fine was less than the amount provided for at 31 October 2013, leaving some cash balances which are expected to be returned to shareholders.

The following is a reconciliation of assets for which Level 3 inputs were used in determining value:

	Other investments £
Opening balance	**33,395,747**
Purchases	**15,190,714**
Sale proceeds	**(1,232,140)**
Realised gain	**397,591**
Fair value adjustment	**10,048,564**
Closing balance	**57,800,476**

Transfers between Level 2 and Level 3

There were no transfers during the accounting period.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3

Description	*2016*	*Valuation technique*	*Unobservable input*
	£		
ASG Group Limited	4,527,000	Investment Manager's valuation based on property valuation/ EBITDA multiple	EBITDA multiple/ income yields
Acorn Group Holdings Limited	4,875,276	Investment Manager's valuation based on EBITDA	EBITDA multiple
Bailiwick Investment Holdings Limited	49,561	Investment Manager's valuation based on NAV	Administrator's calculation
Column Holdings Limited	6,785,197	Investment Manager's valuation based on NAV	Property valuation - income yield
The Channel Islands Stock Exchange (in liquidation)	121,333	Investment Manager's valuation based on residual liquidation proceeds	Estimated valuation as no active market
F B Limited	433,800	Investment Manager's valuation based on transaction value	Price of recent transaction
Guernsey Recycling (1996) Limited	5,674,024	Investment Manager's valuation based on EBITDA multiple	EBITDA multiple/ income yield
Legis Group Holdings Limited	628,320	Investment Manager's valuation based on residual sale	Value of sale proceeds due 31 March 2017
MitonOptimal International Limited	2,738,958	Investment Manager's valuation based on model based on Funds under Management	Percentage of Funds Under Management/Multiple of Gross Margin
Prospero Holdings Limited	1,146,960	Investment Manager's valuation based on transaction	Price of recent transaction
The Octane PCC Limited - Octane Cell	12,493,000	Investment Manager's valuation based on EBITDA multiple/ property valuation	EBITDA multiple/ income yields
Sandpiper Topco Limited	18,327,047	Investment Manager's valuation based on EBITDA multiple/ property valuation	EBITDA multiple/ income yields
	57,800,476		

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

Significant changes in any of the unobservable inputs could result in significantly lower or higher fair value measurements. The most significant unobservable input is EBITDA multiples. At 31 December 2016, if EBITDA multiples had increased by 1x with all other variables remaining constant, the fair value would increase by approximately £4.6 million. For a decrease of 1x in EBITDA multiples with all other variables remaining constant, the fair value would decrease by approximately £5.2 million.

7 OTHER RECEIVABLES AND PREPAYMENTS

	2016	2015
	£	£
Prepayments	**7,458**	9,459
Other receivables	**11,750**	140,000
Loan interest receivable	**-**	5,918
	19,208	155,377

The Directors consider that the carrying amount of other receivables approximates fair value.

8 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank	**8,124,641**	2,985,820
Short term deposits	**-**	20,000,403
	8,124,641	22,986,223

The cash at bank is at The Royal Bank of Scotland International Limited.

9 BORROWINGS

	2016	2015
	£	£
The Royal Bank of Scotland International Limited	**2,847,484**	3,008,083
	2,847,484	3,008,083
Bank borrowings payable in less than one year	**200,000**	200,000
Bank borrowings payable in more than one year	**2,647,484**	2,808,083
	2,847,484	3,008,083

On 29 October 2014 the Group entered into a five year, £11.2 million floating rate term loan facility with The Royal Bank of Scotland International Limited. Interest on the loan is payable quarterly in arrears at a rate equal to the sum of the LIBOR plus 2.75%. The loan is repayable in quarterly repayments of £50,000. The loan was used to repay the Group's previous borrowings and to finance further investment acquisitions.

On 12 May 2015 the loan facility was amended and restated to a £3,250,000 floating rate term loan facility following the sale of Commerce Holdings Limited.

Security for the amended and restated loan is provided by way of a Security Interest Agreement over the issued share capital of the Group's property holding subsidiary Column Holdings Limited as well as certain of the subsidiaries' bank accounts and lease rights. The Directors consider that the carrying amount of borrowings approximates fair value.

10 OTHER PAYABLES

	2016	2015
	£	£
Performance fee	**1,053,842**	141,145
Management fee	**119,776**	734
Administration fee	**27,645**	17,967
Audit fee	**14,547**	16,500
Legal and professional fees	**-**	199,200
Directors fees	**15,625**	-
Other payables	**13,220**	22,969
	1,244,655	398,515

The performance fee (see note 3) only falls due for payment when the Group has received proceeds from the disposal or realisation of its assets or upon termination of the Investment Management Agreement.

The Directors consider that the carrying amount of other payables approximates fair value.

11 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks including market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's use of borrowings can increase the exposure to these risks, which in turn can also affect the returns. Risk management procedures are in place to minimise the Group's exposure to these financial risks.

The Group uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

Market Risk

Price risk

Price risk represents the potential loss the Group may suffer through holding market positions in the face of price movements. The Group is exposed to securities price risk arising from investments held by the Group for which future prices are uncertain. The Group is also exposed to property price and property rentals risk. The Investment Manager seeks to moderate this risk through a careful selection of securities and other financial instruments.

At 31 December 2016, if market prices, property valuations or investment manager valuations had moved by 5% with all other variables remaining constant, the change in net assets attributable to ordinary shareholders along with change in profit or loss for the period would amount to approximately £3 million (2015: +/- £1.9 million).

The maximum exposure to price risk is the carrying amount of the assets as set out below.

	2016	2015
	£	£
Equity securities	**50,087,961**	26,494,687
Investment in subsidiaries	**11,990,078**	12,407,310
	62,078,039	38,901,997

Foreign Currency Risk

There is no foreign currency risk as all the transactions of the Group are carried out in Sterling, the functional and presentational currency.

11 FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the fair value of its financial instruments and future cash flow. The Group holds cash and cash equivalents and a sterling denominated floating rate loan that exposes the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent major interest-bearing positions.

The following table highlights the fair value of the Group's exposure to fixed interest rates, variable interest rates and non interest bearing financial instruments:

31 December 2016	**Fixed interest**	**Variable interest**	**Non interest bearing**	**Total**
Assets	**£**	**£**	**£**	**£**
Investments at fair value	**-**	**-**	**62,078,039**	**62,078,039**
Due from broker	**-**	**-**	**707,979**	**707,979**
Other receivables	**-**	**-**	**11,750**	**11,750**
Cash and cash equivalents	**-**	**8,124,641**	**-**	**8,124,641**
Total Assets	**-**	**8,124,641**	**62,797,768**	**70,922,409**
Liabilities				
Borrowings	**-**	**2,847,484**	**-**	**2,847,484**
Other payables	**-**	**-**	**1,244,655**	**1,244,655**
Total Liabilities	**-**	**2,847,484**	**1,244,655**	**4,092,139**
Total interest sensitivity gap	**-**	**5,277,157**	**61,553,113**	**66,830,270**

31 December 2015	Fixed interest	Variable interest	Non interest bearing	Total
Assets	£	£	£	£
Investments at fair value	-	-	38,901,997	38,901,997
Due from broker	-	-	89,694	89,694
Other receivables	-	-	145,918	145,918
Cash and cash equivalents	-	22,986,223	-	22,986,223
Total Assets	-	22,986,223	39,137,609	62,123,832
Liabilities				
Borrowings	-	3,008,083	-	3,008,083
Other payables	-	-	398,515	398,515
Total Liabilities	-	3,008,083	398,515	3,406,598
Total interest sensitivity gap	-	19,978,140	38,739,094	58,717,234

11 FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

At 31 December 2016, if interest rates had moved by 50 basis points with all other variables remaining constant, the change in net assets attributable to holders of ordinary shares along with change in profit or loss for the period would amount to approximately +/- £26,385 (2015: +/- £99,900), arising substantially from the cash and cash equivalents and borrowings. In accordance with Group's policy, the Investment Manager monitors Group's interest sensitivity on a quarterly basis and the Board of Directors reviews the analysis during the board meetings.

Credit Risk

Credit risk is the risk that an issuer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The investments of the Group are determined by the Investment Manager in accordance with the criteria set out in the Company’s scheme particulars. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any.

The credit risk of the Group's cash and cash equivalents is mitigated as all cash is placed with reputable banking institutions with a sound credit rating. RBSI has a Fitch rating of BBB+ and a Moody's rating of Ba1.

The Group’s maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date which amounted to £70,922,409 (2015: £62,123,832).

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The Group is closed ended and therefore is not exposed to the risk of shareholder redemptions. In order to mitigate liquidity risk, borrowings may not exceed 50 per cent of the last announced NAV at the time of draw down of any such borrowings. The Group's main assets are private equity investments which are traded in an environment where deal timescales can take place over months. As a result, the Group may not be able to liquidate quickly some of its investments at an amount close to its fair value in order to meet liquidity requirements. The Board monitors this risk by reviewing future cash flow projections of the Group to ensure that future liabilities can be met as and when they fall due.

The contractual maturities of the Group's financial assets and liabilities are summarised below.

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 December 2016	£	£	£
Investment in subsidiaries	-	11,990,078	-
Equities	4,277,563	45,810,398	-
Due from broker	707,979	-	-
Other receivables	11,750	-	-
Cash and cash equivalents	8,124,641	-	-
	13,121,933	57,800,476	-
Borrowings	200,000	2,647,484	-
Other payables	1,244,655	-	-
	1,444,655	2,647,484	-

11 FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 December 2015	£	£	£
Investment in subsidiaries	-	12,407,310	-
Equities	26,494,687	-	-
Due from broker	89,694	-	-
Other receivables	145,918	-	-
Cash and cash equivalents	22,986,223	-	-
	49,716,522	12,407,310	-
Borrowings	200,000	2,808,083	-
Other payables	398,515	-	-
	598,515	2,808,083	-

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain a strong capital base to support the development of the investment activities of the Group.

The Group is not subject to any externally imposed capital requirement.

12 SHARE CAPITAL

Authorised Share Capital	**31 December 2016 £**
Unlimited Ordinary Shares of no par value	-

Issued Share Capital	**Number of Shares**	**Share Premium £**
Shares at 31 December 2016	**52,960,000**	**54,241,526**
Shares at 31 December 2015	**52,960,000**	**54,241,526**

The Company's authorised share capital consists of an unlimited number of Ordinary Shares of no par value.

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

13 DIVIDENDS

	2016	2015
	£	£
Dividend of 2.50p per share paid 20 June 2016	**1,324,000**	
Dividend of 3.00p per share paid 30 December 2016	**1,588,800**	
Dividend of 3.00p per share paid 5 January 2015	**-**	798,000
Dividend of 2.25p per share paid 19 June 2015	**-**	741,682
Dividend of 3.00p per share paid 29 December 2015	**-**	988,910
	2,912,800	2,528,592

14 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per Ordinary Share is calculated based on the net assets attributable to Ordinary Shareholders of £66,837,728 and on 52,960,000 Ordinary Shares in issue at 31 December 2016.

The table below reconciles the difference between the financial statements NAV per Share compared to the NAV per Share reported on the TISE.

	2016	2015
	£	£
Consolidated financial statements NAV	66,837,728	58,726,693
No. of shares in issue	52,960,000	52,960,000
NAV per Share	1.2620	1.1089
Add/(deduct):		
Adjustment to fair value of investments	-	-
NAV per Share reported on the TISE	1.2620	1.1089

15 RELATED PARTY TRANSACTIONS

Included within dividend income are amounts of £400,000 (2015: £404,572) from Column Holdings Limited and £ nil (2015: £690,328) from Commerce Holdings Limited. Column Holdings Limited is 100% owned by Bailiwick Property Holdings Limited and has directors which are common to the Company. Commerce Holdings Limited, which was sold on 12 May 2015, was also 100% owned by Bailiwick Property Holdings Limited and had directors which were common to the Company.

Also included within dividend income are amounts of £603,619 (2015: £ 1,015,651) in respect of Legis Group Holdings Limited ordinary shares, which is 49.42% owned by the Group, and £ nil (2015: £12,329) in respect of Legis Group Holdings Limited preference shares.

Loans to subsidiaries are detailed in note 16. Included within loan interest is £ nil (2015:£81,323) in respect of loan interest from Commerce Holdings Limited.

Details of the Directors' fees are disclosed in note 3.

16 INVESTMENT IN SUBSIDIARIES

	Date of Incorporation/Acquisition	Domicile	Ownership
ASG Group Limited	22 September 2014 and 26 November 2014	Guernsey	100%
Bailiwick Property Holdings Limited	13 May 2009	Guernsey	100%
Bailiwick Investment Holdings Limited	13 May 2009	Guernsey	100%
Column Holdings Limited	4 February 2009	Guernsey	100%
Legis Group Holdings Limited	24 March 2011	Guernsey	49.424%

In 2014 the Group purchased the 100% of the share capital of ASG Group Limited ("ASG"). The founding shareholders of ASG together retain a 58% (2015: 50%) shareholding in each of the operating subsidiaries of ASG.

Included within the fair value of the investment in ASG Group Limited is a loan from Bailiwick Investments Limited to Westgrass Hangarage (No 3) Limited, a subsidiary of ASG Group Limited, of £1,074,197 which is unsecured, interest free and repayable on demand.

Bailiwick Property Holdings Limited owns 100% of the issued share capital of Column Holdings Limited. During the period ended 31 December 2015, Bailiwick Property Holdings Limited sold its investment in Commerce Holdings Limited.

Bailiwick Property Holdings Limited is consolidated. All of the other subsidiaries are accounted for as investments at fair value.

Included within the fair value of the investment in Bailiwick Investment Holdings Limited is a loan from Bailiwick Investments Limited to Bailiwick Investment Holdings Limited of £211,333 which is unsecured, interest free and repayable on demand.

The investment into the share capital of Column Holdings Limited is pledged under the loan agreement with The Royal Bank of Scotland International Limited (Note 9).

17 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the period/year by the weighted average number of ordinary shares outstanding during the period/year.

	1.1.16 to 31.12.2016 £	1.11.14 to 31.12.2015 £
Profit and total comprehensive income for the year/period	11,023,835	2,963,157
Weighted average number of shares in issue	52,960,000	32,886,712
Earnings per share – basic and diluted	0.2082	0.0901

The Group's diluted EPS is the same as basic EPS, since the Company has not issued any instrument with dilutive potential.

Supplemental data:

Internal Rate of Return for the year/period	**18.99%**	6.81%
Cumulative Internal Rate of Return	**8.64%**	7.63%

18 ULTIMATE CONTROLLING PARTY

The Directors consider that the Group has no ultimate controlling party.

19 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

20 EVENTS AFTER THE REPORTING DATE

Subsequent events have been evaluated through to 11 April 2017, which is the date the financial statements were available to be issued.

On 5 January 2017, the Group completed the purchase of 13.4% of the issued share capital of SigmaRoc plc ("SigmaRoc"). The Group also acquired 20% of SigmaRoc's issued Convertible Loan Notes. The total cost of the investment amounted to £8,000,000. SigmaRoc Plc is an AIM quoted company that invests in and operates new and existing construction material assets in places where opportunity is greatest. On 5 January 2017, SigmaRoc completed the acquisition of Ronez for £45.0 million in cash.

There are no other subsequent events to report.

BAILIWICK INVESTMENTS LIMITED
PORTFOLIO STATEMENT
31 DECEMBER 2016

	2016	
	Nominal holding	**Fair value £**
Investment in subsidiaries - 19.31%		
ASG Group Limited	**1,000**	**4,527,000**
Bailiwick Investment Holdings Limited Ord	**2**	**49,561**
Column Holdings Limited Ord	**2**	**6,785,197**
Legis Group Holdings Limited 'A' Ord	**98,848**	**628,320**
Total investment in subsidiaries		**11,990,078**
Equities - 80.69%		
Acorn Group Holdings Limited Ord GBP1.00	**2,250**	**4,875,276**
Breedon Group PLC Ord NPV	**550,000**	**392,563**
The Channel Islands Stock Exchange (in liquidation) Ord GBP0.10	**242,666**	**121,333**
The International Stock Exchange Group Limited Ord GBP1.00	**375,000**	**1,125,000**
F B Limited Ord GBP 0.011494	**241**	**433,800**
Guernsey Recycling (1996) Limited Ord GBP1.00	**242,490**	**5,674,024**
Jersey Electricity PLC 'A' Ord GBP0.05	**500,000**	**2,070,000**
Jersey Water Ord GBP0.50	**100,000**	**690,000**
MitonOptimal International Limited Ord GBP1.00	**53,940**	**2,738,958**
Prospero Holdings Limited Ord GBP1.00	**98**	**1,146,960**
The Octane PCC Limited - Octane Cell	**9,650,000**	**12,493,000**
Sandpiper Topco Limited Ord NPV	**9,296,102**	**18,327,047**
Total equities		**50,087,961**
		62,078,039

	2015	
	Nominal holding	Fair value £
Investment in subsidiaries - 31.89%		
ASG Group Limited	1,000	4,555,000
Bailiwick Investment Holdings Limited Ord	2	211,333
Column Holdings Limited Ord	2	6,637,468
Legis Group Holdings Limited 'A' Ord	98,848	1,003,509
Total investment in subsidiaries		12,407,310
Equities - 68.11%		
Acorn Group Holdings Limited Ord GBP1.00	30	5,125,000
Breedon Group PLC Ord NPV	3,000,000	1,950,000
The Channel Islands Stock Exchange (in liquidation) Ord GBP0.10	242,666	121,333
The International Stock Exchange Group Limited Ord GBP1.00	325,000	568,750
F B Limited Ord GBP1.00	3	447,135
Guernsey Recycling (1996) Limited Ord GBP1.00	242,490	3,794,969
Jersey Electricity PLC 'A' Ord GBP0.05	500,000	2,337,500
Jersey Water Ord GBP0.50	100,000	650,000
Legis Tax Services Limited	15,000	575,000
MitonOptimal International Limited	42,500	1,275,000
The Octane PCC Limited - Octane Cell	9,650,000	9,650,000
Total equities		26,494,687
		38,901,997