BAILIWICK INVESTMENTS

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM
1 NOVEMBER 2014 TO 31 DECEMBER 2015

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Registered Office	La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Directors	David Lowe (Chairman) John Henwood Charles Parkinson
Manager, Broker and Market Maker	Ravenscroft Investment Management Limited (until 10 December 2014) Ravenscroft Limited (with effect from 11 December 2014) Level 5, The Market Buildings Fountain Street St. Peter Port Guernsey GY1 4JG
Administrator and Registrar	Saffery Champness Fund Services Limited La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
CISE 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

2015 was another transformational year for Bailiwick Investments Limited ("Bailiwick"). During the period we have made a number of additional investments into the Company's already diverse portfolio and towards the end of the year we also completed a substantial and very successful fundraise. This additional liquidity allowed the Company the opportunity to take significant stakes in notable businesses such as Sandpiper CI Limited ("Sandpiper") and Acorn Group Holdings Limited ("Acorn"). These, and the other transactions made during the period, will continue to provide our investors with ongoing capital growth in well run locally based businesses that underpin a stable dividend policy.

Bearing in mind the underlying circumstances, I am satisfied to report that the Net Asset Value ("NAV") of the Company was £1.1089 as at 31 December 2015. Although this represents a slight decline over the year, this is largely attributable to the legal and professional costs associated with the change in emphasis of the Company's investment portfolio, demonstrated by the sale of Carey House and focusing on the new investments made into Channel Island based trading and financial companies. It is pleasing for the Board and the Investment Manager (the "Manager") to be able to see Bailiwick undertaking these types of transactions and fulfilling the original vison and investment strategy of the Company.

The NAV is also reflective of the fact that all the 2015 trading revenues made by the new investments will not be shown in Bailiwick's accounts until 2016, when the dividends resulting from those profits will be received. I am pleased to report that all of these investments are performing in line with expectations and the Board are confident that the projections for the investments should see an increase to the NAV posted throughout 2016. I am also pleased to confirm that during the period the Company paid a total of 5.25p per share in dividends, a slight increase (0.25p) on the previous year.

For the rest of the portfolio, it has been another active year in terms of new investment opportunities and disposals. In October 2015 the Company announced that it had sold its remaining 10% holding in Orangefield Legis Fund Services Limited ("Legis"). Since the initial sale of the Legis trust business in April 2014, the Company has seen a substantial return on its overall investment in the Legis group. This last disposal leaves the Company with a resultant 15% holding in Legis Tax Services Limited.

The other positions and investments made throughout 2015 included: Acorn, Oatlands Village, Miton Optimal International Limited and more recently Sandpiper (completed in February 2016). It is extremely encouraging to see these Channel Islands based businesses flourishing across differing sectors, during what has been a period of unrest within the wider economic market place, and provides diversification and security to the Company's portfolio and its investors.

Your Board will continue to work alongside the Manager throughout 2016 in order to continue to provide solid returns to you, the Shareholders. I would also like to note that during the reporting period, a number of the Board members and each member of the Management team increased their personal holding within the Company, a clear demonstration that our interests are aligned with the other Shareholders of Bailiwick.

I can confirm that the Manager continues to be extremely active in seeking out additional investment opportunities and together we will look to add value and further develop the investment strategy of the business. One final positive note to end 2015 on was the fully subscribed fundraise and listing on the CISE of ~20m new shares in the Company, a statement that speaks for itself in terms of the ongoing support of our investors and the attractive nature of our unique business.

David Lowe
Chairman

6 April 2016

Net Asset Value per share as at 31 December 2015 was 110.89p (111.40p on 31 October 2014)

Current Share Price is 110p - 115p

Performance overview:

Ravenscroft Limited (the "Manager") is pleased to report a very positive trading update for Bailiwick Investments Limited (the "Company") for the 14 months to 31 December 2015. Since our interim report we have completed a number of transactions during the period, beginning with the disposal of Carey House on the 12th May 2015 and finishing with a £22.3m fundraise for the Company in December 2015.

The Company added a selection of high quality assets to its portfolio throughout the period. These new additions to the group included; acquiring a 29.19% stake in Guernsey Recycling Group Limited ("GRG"), a 25% interest in Jersey-based operation Acorn Group Holdings Limited("Acorn"), a 30% stake in Oatlands Village and a 10% holding of Guernsey-based operation MitonOptimal, a well-established and specialist global multi-asset management company.

Towards the end of 2015 it was announced that the Company intended to acquire a significant stake in Sandpiper CI, one of the Channel Islands' largest retail and franchise companies, which completed towards the end of February 2016. The Manager was similarly pleased to announce the realisation of the Company's remaining 10% holding in the Orangefield Legis Fund Services business following the acquisition of the business by Barings Asia in November 2015.

With the addition of these new businesses to the portfolio, the Company has an exciting foundation for the next few years. The Company now has a quality portfolio of Channel Islands based assets, and further potential opportunities are being investigated by the Manager at present, with the aim of providing continued steady capital growth and income to the Company's investors.

Due to the shareholder dividend payments throughout the period and various costs associated with undertaking the deals and fundraise mentioned above, the NAV has fallen slightly since the Interim Report published in April 2015 from 113.96p to 110.89. However, we are confident that we will see this figure increase during the course of 2016 as the new investments start contributing earnings to the portfolio.

We last reported a 3p per share dividend, which was paid on the 29th December 2015, taking the total dividends for the year to 5.25p.

The share price is currently trading between 110p and 115p with a total of 2,679,000 shares having been traded on the secondary market in the period from 30th April to 31st December 2015.

Portfolio Review

Jacksons CI Limited – Ravenscroft Investments PCC Limited, Octane Cell ("Jacksons")

Jacksons has been held in the portfolio for over a year now and has performed in line with expectations. Shortly after the business was acquired by the Company, along with an associated consortium, it invested in a local business in the Isle of Wight. This investment provided Jacksons good exposure into the UK market, where there is demand for quality second-hand vehicles with low mileage. The company recently announced strategy to further expand into the Isle of Man and plans have now been submitted to the local authorities for a new showroom to be constructed on a new site. 2016 should be an exciting year for Jacksons with successes reflected in the results of the Company.

ASG Group Limited ("ASG")

ASG has seen an increase in trading during the period and activity was in-line with budget for 2015. A number of service level efficiencies have been introduced, aimed at further improving its performance in the coming year. The aviation industry has seen a number of notable transactions take place over the last 12 months and we believe that ASG is well placed to continue to develop its services from a prime location here in the Channel Islands. We are hopeful that we will see a significant increase in the amount of activity and opportunities in the very near future.

Legis Group Holdings Limited ("Legis")

Since the sale of Legis' Trust business to The Bank of Butterfield in 2014, the company has received its second payment in relation to the trading performance and any warranty claims. Next year will be the last year for these payments and will conclude any interest held in Legis.

The Company was also pleased to announce that in November 2015 it had sold the remaining 10% of the Fund Services business back to Orangefield as part of their larger transaction with Barings Asia.

The Company holds a remaining 15% stake in Legis Tax Services Limited ("Legis Tax"). The Manager has been in ongoing discussions with the management team at Legis Tax with regards to the potential sale of this remaining 15%. We are pleased to report that a figure has now been agreed and the disposal should complete in Q2 2016.

Channel Islands Stock Exchange ("CISX")

There has been no further communication in relation to the liquidation of the CISX since the announcement on the 10th April 2015. As yet it is unclear whether the Company will receive any funds back from the administration process. At the end of the reporting period the mid-share price was £0.50.

Channel Islands Securities Exchange ("CISE")

The Manager is pleased to state that the CISE announced its first dividend at their AGM on the 19th October 2015 and confirmed that the business now held 'healthy cash levels'. The CISE are working very hard to develop their interactive offering which is widely recognised as a crucial step in attracting more securities and trading companies to the exchange, in order for them to become a more competitive force in the market place.

An announcement was made on the 19th January 2016 that the business experienced an 8% rise in new listings during the course of 2015. All in all it was a positive year for the CISE topped off when they announced plans to list their own shares towards the end of 2016. At the end of the reporting period the mid-share price was £1.25.

Guernsey Recycling Group ("GRG")

After completion of the Island Waste acquisition and taking a majority stake in Galaxy Computers Limited, which occurred during the latter part of 2015, it has very much been a 'bedding down' process for GRG over the last 12 month period. The addition of the Island Waste team, as well as the refurbished site at Pointes Lane, has been a massively successful one and assisted the company in underpinning the overall revenues for the business. While commodity prices haven't been in their favour in recent months the company remains robust with new initiatives and efficiencies allowing them to alleviate the effects in the decline in commodities. However, GRG are exploring new avenues in Jersey and also the Cayman Islands. The Manager is very confident that the performance of the business will continue to improve over the next few years as more synergies between the businesses develop and commodity prices begin to stabilize.

Acorn Group Holdings Limited ("Acorn")

The investment into Acorn has also performed in line with the Manager's expectations since its purchase in June 2015. The Company has committed further investment via a 6% preference share offering into the Jersey based operation. This facility will be drawn down as and when needed as Acorn look to expand the business offering in the Island and further afield.

The Manager is working very closely with the management team at Acorn in order to search for potential new acquisitions and business opportunities in a number of locations such as Guernsey. We will continue to monitor and assist in this process, however, the company's overall performance at the start to 2016 has been very strong and we are pleased with the diversity the investment brings to our portfolio of business.

Oatlands Village ("Oatlands")

On the 27th August 2015 the Company announced it had completed the purchase of a 30% interest in Oatlands. This iconic business, which comprises of 11 retail units, an outside children's activity area, a miniature golf course, two large green site fields and a 75-space car park, was placed into administration in September 2014. All the tenants on the site have continued to operate and have been informed that the site is now under new ownership.

It is the intention to breathe new life into Oatlands and create a Channel Islands based premier attraction, which is both sustainable and viable for the Island's tourism industry and local families alike. Developments and repairs are well underway and new plans for the site have been submitted to the Island's planning department that include a brand new play barn, updated restaurant facilities and an educational interactive area that will also house the Channel Islands' iconic Joey aeroplane. Subject to planning permission we hope to see Oatlands fulfil its potential as the leading tourist attraction on the Island.

MitonOptimal International Limited ("MOIL")

On the 11th November 2015 the Company was pleased to announce that it had completed the purchase of an 11% stake in MOIL. MOIL is a well-established and specialist global multi-asset management company, with a presence in Guernsey, South Africa, Singapore and the Isle of Man. Founded in 2002, the business offers a range of multi-asset funds, discretionary fund management (DFM) and advisory services to a broad range of intermediaries and institutional investors around the world.

Sandpiper CI Limited ("Sandpiper")

The Sandpiper transaction completed on the 19th February 2016 and a detailed update on this investment will be reported in the interim results later in the year.

Jersey Water ("JW")

The shares are currently trading at £6.50 which is a marginal increase from the £6.25 reported last April. Volume was sporadic throughout the year and there has been one transaction in 2016 to date. With little volatility, it remains a very consistent and steady holding within the portfolio.

Jersey Electricity ("JE")

Similarly to JW, JE has also enjoyed an increase in its London listed share price from £4.45 as reported last April to a year-end close of £4.675. Again volume has been sporadic and the shares pretty much trade on a matched bargain basis.

As with JW, this contributes to a steady share price and an orderly market; valuable characteristics when it comes to monitoring the portfolio. The company continues to invest in infrastructure and having completed the N3 subsea cable to France, is now currently working, in conjunction with Guernsey Electricity, to install an additional undersea cable (N1). This will further bolster the connections between the Channel Islands and France and continue the seamless supply of energy.

Breedon Aggregates ("Breedon")

Breedon has enjoyed another fantastic year with a steady stream of positive results and announcements. These included the acquisition of Hope Construction Materials Limited (a leading producer of cement, concrete and aggregates), further contract wins and solid and bullish trading statements. The share price responded accordingly and increased from £0.48 as reported in April to a year-end close of £0.65.

Pat Ward, ex-LafargeHolcim, will be replacing Simon Vivian as CEO early in 2016 and Simon will remain in a non-executive role. Peter Tom, Chairman, and the entire Board remain enthusiastic and hugely positive about the year ahead and we are anticipating another successful year for the company.

Nelson House

Nelson House continues to produce solid returns to the Company and the Manager was pleased to report a recent £200k uplift in value for 2015.

Conclusion

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

The broad composition of the portfolio continues to fund the dividend distribution policy of the Company and the Company continues to adhere to all of its regulatory and capital obligations.

Ravenscroft Limited

6 April 2016

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 period from 1 November 2014 to 31 December 2015 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.

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.

Change of reporting date

During the period the Directors resolved to change the reporting date from 31 October to 31 December in order to align the Company's financial reporting period with the reporting periods of the majority of its investments, whose audited financial information can be used for valuation purposes. The amounts presented in respect of the current accounting period of 14 months is therefore not entirely comparable with the 12 month period ended 31 October 2014.

Results and dividends

The results for the period are set out in the Consolidated Statement of Comprehensive Income on page 17. During the period, following approval by the Directors, the Company paid a dividend of 3.00 pence per share to shareholders on 5 January 2015, a dividend of 2.25 pence per share to shareholders on 19 June 2015 and a further dividend of 3.00 pence per share to shareholders on 29 December 2015 (2014: a dividend of 3.00 pence per share to shareholders on 3 February 2014, a special dividend of 25.00 pence per share to shareholders on 17 June 2014 and a further dividend of 2.00 pence per share to shareholders on 27 June 2014).

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.

Directors

The Directors who served on the Board during the period, together with their beneficial interests at 31 December 2015 and at 31 October 2014, were as follows:

	31.12.15		31.10.14	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
David Lowe OBE	1,000,000	1.89%	500,000	3.76%
John Henwood MBE	75,000	0.14%	75,000	0.28%
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 2015:

	31.12.15		31.10.14	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited – KGCLT	49,188,320	92.88%	23,887,999	89.81%

Corporate Governance

A report on Corporate Governance is included on pages 10 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 Company and its subsidiaries as at the end of the financial period and of the profit or loss of the Company for that period in accordance with 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 company 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 Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Responsibility Statement

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 Company together with a description of the principal risks and uncertainties that the Company 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 Company'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 Company.

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 Company'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 Company's Auditor is aware of that information.

Secretary

The Secretary of the Company at 31 December 2015 was Saffery Champness Fund Services Limited, appointed on 1 September 2014.

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
Chairman

Charles Parkinson
Director

6 **April 2016**

The Directors present their corporate governance report for the period from 1 November 2014 to 31 December 2015.

As a Guernsey registered company and under the CISE 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 Bailiwick Investments Limited. 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	15 / 15	5 / 5
John Henwood	11 / 15	4 / 5
Charles Parkinson	15 / 15	5 / 5

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 period, 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 OBE

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 a 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 awarded the OBE on the Queen's New Year's Honours List in 2006 for services to the Royal Court of Guernsey.

John Henwood MBE

John Henwood is chairman of Visit Jersey, the company responsible for promoting tourism in Jersey and also of G4S Secure Services in the Island.

His early career was in broadcasting during which he was chief executive of the Channel Television Group and undertook a number of wider television industry responsibilities. John was chairman of Jersey Telecom and led the business through incorporation in 2003 and was also a founder member of the board of Jersey Finance. He is presently a non-executive director of a number of other entities. John was awarded an MBE in 1998 for services to broadcasting and the community.

Charles Parkinson

Charles Parkinson is a Chartered Accountant and Barrister who built his professional career in accountancy, tax and fiduciary services in Guernsey. He was elected to the States of Guernsey in 2004 and from May 2008 to April 2012 he served as the Minister of Treasury & Resources in the island's government. He holds a number of directorships in a company listed on AIM and two private companies, in addition to his directorships of the Company and its subsidiaries.

AUDIT COMMITTEE

The Audit Committee meets at least twice a year and is chaired by Charles Parkinson. 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, and 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 Audit Committee focuses primarily on compliance with legal requirements, accounting standards and the CISE 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.

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; and
- 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 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.

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, having considered the auditor's performance during their period in office, recommends re-appointment. The audit fees of £16,500 (2014: £17,075) for Grant Thornton Limited and non-audit related fees of £ Nil (2014: £3,195) were discussed by the Audit Committee and considered appropriate given the current size of the Company and the level of activity undertaken during the period.

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

Significant issues considered by the Audit Committee since 1 November 2014 have been whether to revert to IFRS from US GAAP and the communications received from the auditor. At its meeting on 25 November 2014 the Audit Committee decided to revert to IFRS for the preparation of the consolidated financial statements for the year ended 31 October 2014.

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 the management over-ride of controls and the valuation of investments.

The Audit Committee tracked the investments valuation risk throughout the period and kept in contact with the Company's Administrator, Investment Manager and External Auditor and received regular updates. With regard to management override of controls risk the Audit Committee assessed the system of internal controls and concluded that appropriate controls are in place that allows prevention or detection of misstatements due to error or fraud including those associated with management override of controls. The Audit Committee is satisfied that there has been appropriate focus and challenge on the high risk areas.

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 'Company') and its subsidiaries (collectively, the 'Group') as at 31 December 2015 and of the Group's profit for the period then ended;
- the consolidated financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB; and
- the consolidated financial statements 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 comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, 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.

Our assessment of risk

In arriving at our opinion set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

Financial assets designated at fair value through profit or loss

The risk: The investment objective of the Group is to achieve long term capital growth by investing in a diversified portfolio of investments. Accordingly, the investment portfolio is a significant and material item. The ownership and valuation of the investment portfolio is therefore a risk that requires special audit attention.

Our response on ownership: In order for us to confirm that the investments referred to above were owned by the Group, our audit work included, but was not restricted to, gaining an understanding of management's process to recognise the investments; obtaining a confirmation of investments held at the year-end directly from the independent custodian as well as examining share certificates held by the administrator for those not held with the custodian.

Our response on valuation: Our audit work on valuation for investments included, but was not restricted to, understanding the investment manager's process to value both quoted and unquoted investments; agreeing the valuation of 100% of the quoted investments to an independent source of market prices; reviewing and challenging the valuation methodology used to value 100% of the unquoted investments, including assessment of whether the valuations were made in accordance with published guidance and discussions with the directors.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the Group financial statements as a whole to be £587,000 which is 1% of net assets. This benchmark is considered the most appropriate because the users of the financial statements are sensitive to changes in net asset value as an indicator of the value of their investment in the company.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £29,350. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by these third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

Matters on which we are required to report by exception

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 Company; 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 CISEA 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.

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.

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 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

6 April 2016

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 31 DECEMBER 2015

	Notes	1.11.14 to 31.12.15 £	1.11.13 to 31.10.14 £
Income			
Net gain on financial assets and liabilities at fair value through profit or loss	5	**2,370,579**	2,433,555
Dividend income	15	**2,250,121**	1,496,569
Loan interest income	15	**87,241**	163,995
Bank interest income		**2,302**	12,995
		4,710,243	4,107,114
Expenses			
Performance fee	3	**141,145**	119,901
Management fees	3	**395,740**	338,929
Loan interest expense		**311,744**	228,681
Administration and other expenses	4	**898,457**	260,192
		1,747,086	947,703
Profit and total comprehensive income for the period/year		**2,963,157**	3,159,411
Weighted average shares in issue during the period/year		**32,886,712**	26,600,000
Earnings per Ordinary Share (basic and diluted)	17	**£0.09**	£0.12

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 CHANGES IN EQUITY
FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 31 DECEMBER 2015

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 November 2013	-	25,581,500	8,871,191	34,452,691
Profit and total comprehensive income for the year	-	-	3,159,411	3,159,411
Dividends	-	-	(7,980,000)	(7,980,000)
Balance at 31 October 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

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

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	31.12.15 £	31.10.14 £
Assets			
Financial assets at fair value through profit or loss	5, 6		
Investment in subsidiaries		**12,407,310**	30,303,633
Equities		**26,494,687**	5,315,383
Interest bearing investments		**-**	1,500,000
Due from broker		**89,694**	52,363
Other receivables and prepayments	7	**155,377**	114,456
Cash and cash equivalents	8	**22,986,223**	3,637,585
Total assets		**62,133,291**	40,923,420
Liabilities			
Borrowings	9	**3,008,083**	10,992,665
Other payables	10	**398,515**	298,653
Total liabilities		**3,406,598**	11,291,318
Net assets		**58,726,693**	29,632,102
Equity			
Share capital	12	**-**	-
Share premium	12	**54,241,526**	25,581,500
Retained earnings		**4,485,167**	4,050,602
Total equity		**58,726,693**	29,632,102
Net Asset Value per Ordinary Share	14	**1.1089**	1.1140

Approved and authorised for issue by the Board of Directors on 6 April 2016 and signed on its behalf by:

David Lowe
Chairman

Charles Parkinson
Director

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

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 31 DECEMBER 2015

	Notes	**1.11.14 to 31.12.15 £**	1.11.13 to 31.10.14 £
Cash flows from operating activities			
Profit and total comprehensive income for the period/year		**2,963,157**	3,159,411
Adjusted for:			
(Increase)/decrease in amount due from broker		**(37,331)**	729,638
(Increase)/decrease in other receivables		**(40,921)**	216,374
Increase/(decrease) in other payables		**99,862**	(647,342)
Purchase of financial instruments		**(22,751,884)**	(2,951,118)
Sale of financial instruments		**23,339,482**	10,213,310
Net gain on financial assets at fair value through profit or loss	0	**(2,370,579)**	(2,433,555)
Increase/(decrease) in loan interest payable		**16,803**	(37,890)
Amortisation of borrowing costs		**48,615**	28,761
Net cash flows from operating activities		**1,267,204**	8,277,589
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**28,660,026**	-
Borrowings received		**-**	11,200,000
Borrowings repaid		**(8,050,000)**	(10,000,000)
Dividends paid to shareholders	13	**(2,528,592)**	(7,980,000)
Borrowing costs		**-**	(208,349)
Net cash flows used in financing activities		**18,081,434**	(6,988,349)
Net increase in cash and cash equivalents		**19,348,638**	1,289,240
Cash and cash equivalents at start of period/year		**3,637,585**	2,348,345
Cash and cash equivalents at end of period/year		**22,986,223**	3,637,585
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest		**246,326**	187,397

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 Stock Exchange (the "CISX") and is now listed on the Channel Islands Securities Exchange ("CISE").

The principal activity of Bailiwick Investments Limited (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 2015; 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.

During the period the Directors resolved to change the reporting date from 31 October to 31 December in order to align the Company’s financial reporting period with the reporting periods of the majority of its investments, whose audited financial information can be used for valuation purposes. The amounts presented in respect of the current accounting period of 14 months is therefore not entirely comparable with the 12 month period ended 31 October 2014.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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 a consideration of discounted future receivables from the sale of the Trust business of Legis Group Holdings Limited and by 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 period ending 31 December 2015 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.

New and amended standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 November 2014 that have had a material impact on the Group.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 November 2014, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. The Directors anticipate that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The new standards, interpretations and amendments are not expected to have a material impact on the Group's financial statements.

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 assets and liabilities held for trading:

Financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities, debentures and other interest bearing investments and derivatives. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives, debentures and liabilities from short sales of financial instruments are classified as held for trading. The Group's policy is not to apply hedge accounting.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 debt and equity 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2015 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 (2014:£600).

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. With effect from 1 September 2014, Bordeaux Services (Guernsey) Limited retired as Administrator and Saffery Champness Fund Services Limited was appointed as Administrator on the same terms and conditions.

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 £141,145 (2014: £119,901) is accrued in respect of the current period and remains outstanding at the year end (2014: £119,901) .

Directors' fees

David Lowe is entitled to an annual fee of £35,000 (2014:£30,000), John Henwood and Charles Parkinson were each entitled to an annual fee of £27,500 (2014: £22,500).

4 ADMINISTRATION AND OTHER EXPENSES

	1.11.14 - 31.12.15 £	1.11.13 - 31.10.14 £
Administration fees	**95,301**	68,000
Audit fees	**16,500**	17,075
Directors' fees	**105,000**	75,000
Registrar fees	**5,833**	5,000
Legal and professional fees	**589,298**	65,245
Other expenses	**86,525**	29,872
	898,457	260,192

Included within legal and professional fees for the period ended 31 December 2015 is £ Nil (2014: £3,195) paid to Grant Thornton Limited, the Group's auditor, for the provision of tax advice.

5 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and financial liabilities

	Financial assets at FVTPL £	**Loans and receivable (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 and prepayments	**-**	**155,377**	**155,377**
Cash and cash equivalents	**-**	**22,986,223**	**22,986,223**
	38,901,997	**23,231,294**	**62,133,291**

	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**

	Financial assets at FVTPL £	Loans and receivable (amortised cost) £	Total £
31 October 2014			
Financial assets			
Investment in subsidiaries	30,303,633	-	30,303,633
Equities	5,315,383	-	5,315,383
Interest bearing investments	1,500,000	-	1,500,000
Due from broker	-	52,363	52,363
Other receivables and prepayments	-	114,456	114,456
Cash and cash equivalents	-	3,637,585	3,637,585
	37,119,016	3,804,404	40,923,420

	Other liabilities (amortised cost) £	Total £
31 October 2014		
Financial liabilities		
Borrowings	10,992,665	10,992,665
Other payables	298,653	298,653
	11,291,318	11,291,318

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

	31.12.15	31.10.14
	£	
Designated at fair value through profit or loss at inception		
Investment in subsidiaries	**12,407,310**	30,303,633
Equities	**26,494,687**	5,315,383
Interest bearing investments	**-**	1,500,000
	38,901,997	37,119,016

	31.12.15	31.10.14
	£	
Fair value brought forward	**37,119,016**	41,947,653
Purchases at cost	**22,751,884**	2,951,118
Sales	**(23,339,482)**	(10,213,310)
Net gain on financial assets and liabilities at fair value through profit or loss	**2,370,579**	2,433,555
Fair value carried forward	**38,901,997**	37,119,016
Represented by:		
Closing book cost	**35,956,696**	32,837,866
Closing revaluation of investments	**2,945,301**	4,281,150
	38,901,997	37,119,016

Borrowings at amortised cost

Borrowing comprise a floating rate term loan facility with The Royal Bank of Scotland International Limited (see note 11).

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: Unadjusted quoted prices in active markets for identical assets or liabilities;

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 that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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**

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities measured at fair value at 31 October 2014:

	Level 1 £	Level 2 £	Level 3 £	Total £
Investments at fair value				
Equity securities				
Construction	**2,602,800**	**-**	**-**	**2,602,800**
Financial services	**-**	**406,250**	**121,333**	**527,583**
Utilities	**1,675,000**	**510,000**	**-**	**2,185,000**
Debt securities	**-**	**1,500,000**	**-**	**1,500,000**
Investment in subsidiaries				
Aircraft services	**-**	**-**	**2,100,000**	**2,100,000**
Investment Property	**-**	**-**	**23,380,969**	**23,380,969**
Financial Services	**-**	**-**	**4,822,664**	**4,822,664**
	4,277,800	**2,416,250**	**30,424,966**	**37,119,016**

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 and Channel Islands Securities Exchange, which are equity securities classified within level 2, are based on prices provided by market makers on a matched bargain basis.

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 valued the site at cost, which approximates fair value, after taking into consideration that there has been no significant downward movement in land values since purchase and no change to its development potential.

The purchase of a 55% holding in ASG Group Limited took place in September 2014.The Group purchased the remaining 45% of ASG Group Limited in November 2014. The Investment Manager considers that the purchase cost adjusted for the current year's results and revaluation of property owned by the ASG Group is a reliable representation of the fair value of ASG Group Limited.

The investment in Legis Tax Services Limited is valued by the Investment Manager based on a formal written offer to purchase the shares held by the Group.

The investments in the Acorn Group Holdings Limited, FB Limited, Guernsey Recycling (1996) Limited, MitonOptimal International Limited and Ravenscroft Investments PCC Limited - Octane Cell are valued at cost. The Investment Manager considers that the recent purchase cost is a reliable representation of the fair value of these investments.

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	**30,424,966**
Purchases	**22,751,884**
Sale proceeds	**(20,383,621)**
Realised gain	**2,751,273**
Fair value adjustment	**(2,148,755)**
Closing balance	**33,395,747**

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	***2015***	***Valuation technique***	***Unobservable input***
	£		
ASG Group Limited	4,555,000	Adjusted transaction value	Investment Manager's valuation
Acorn Group Holdings Limited	5,125,000	Transaction value	Investment Manager's valuation
Bailiwick Investment Holdings Limited	211,333	NAV	Administrator's calculation
Column Holdings Limited	6,637,468	NAV	Property valuation - valuation yield
Channel Islands Stock Exchange	121,333	Average brokers' valuations	Estimated valuation as no active market
FB Limited	447,135	Transaction value	Investment Manager's valuation
Guernsey Recycling (1996) Limited	3,794,969	Transaction value	Investment Manager's valuation
Legis Group Holdings Limited - 'A' ordinary shares	1,003,509	EBITDA/ revenue multiple/ transaction value	Multiple of EBITDA/ Revenue
Legis Tax Services Limited	575,000	Offered value	Formal Offer from Legis Tax Services Limited
MitonOptimal International Limited	1,275,000	Transaction value	Investment Manager's valuation
Ravenscroft Investments PCC Limited - Octane Cell	9,650,000	Transaction value	Investment Manager's valuation
	33,395,747		

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

Significant changes in any of unobservable inputs could result in significantly lower or higher fair value measurements. At 31 December 2015, if unobservable inputs 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 £1.7 million.

7 OTHER RECEIVABLES AND PREPAYMENTS

	31.12.2015	31.10.2014
	£	£
Prepayments	9,459	1,956
Other receivables	140,000	-
Loan interest receivable	5,918	-
Dividends receivable	-	112,500
	155,377	114,456

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

8 CASH AND CASH EQUIVALENTS

	31.12.2015	31.10.2014
	£	£
Cash at bank	2,985,820	3,637,585
Short term deposits	20,000,403	-
	22,986,223	3,637,585

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

9 BORROWINGS

	31.12.2015	31.10.2014
	£	£
The Royal Bank of Scotland International Limited	3,008,083	10,992,665
	3,008,083	10,992,665
Bank borrowings payable in less than one year	200,000	200,000
Bank borrowings payable in more than one year	2,808,083	10,792,665
	3,008,083	10,992,665

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

	31.12.2015	31.10.2014
	£	£
Performance fee	141,145	119,901
Management fee	734	2,907
Administration fee	17,967	17,000
Audit fee	16,500	17,075
Legal and professional fees	199,200	28,052
RBSI loan arrangement fee	-	112,000
Other payables	22,969	1,718
	398,515	298,653

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 2015, 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 £1.9 million (2014: +/- £1.8 million).

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

	31.12.2015	31.10.2014
	£	£
Equity securities	**26,494,687**	5,315,383
Investment in subsidiaries	**12,407,310**	30,303,633
Interest bearing investments	**-**	1,500,000
	38,901,997	37,119,016

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 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 and prepayments	**-**	**-**	**155,377**	**155,377**
Cash and cash equivalents	**-**	**22,986,223**	**-**	**22,986,223**
Total Assets	**-**	**22,986,223**	**39,147,068**	**62,133,291**
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**	**38,748,553**	**58,726,693**

31 October 2014	Fixed interest	Variable interest	Non interest bearing	Total
Assets	£	£	£	£
Investments at fair value	1,500,000	-	35,619,016	37,119,016
Due from broker	-	-	52,363	52,363
Other receivables and prepayments	-	-	114,456	114,456
Cash and cash equivalents	-	3,637,585	-	3,637,585
Total Assets	1,500,000	3,637,585	35,785,835	40,923,420
Liabilities				
Borrowings	-	10,992,665	-	10,992,665
Other payables	-	-	298,653	298,653
Total Liabilities	-	10,992,665	298,653	11,291,318
Total interest sensitivity gap	1,500,000	(7,355,080)	35,487,182	29,632,102

11 FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

At 31 December 2015, 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 +/- £99,900 (2014: +/- £36,775), 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 A and a Moody's rating of Baa1.

The Group's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date which amounted to £62,133,291 (31 October 2014: £40,923,420)

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 assets and liabilities are summarised below.

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 December 2015	£	£	£
Investment in subsidiaries	-	12,407,310	-
Equities	5,506,250	20,988,437	-
Due from broker	89,694	-	-
Other receivables and prepayments	155,377	-	-
Cash and cash equivalents	22,986,223	-	-
	28,737,544	**33,395,747**	-
Borrowings	200,000	2,808,083	-
Other payables	398,515	-	-
	598,515	**2,808,083**	-

11 FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 October 2014	£	£	£
Investment in subsidiaries	-	30,303,633	-
Equities	5,315,383	-	-
Interest bearing investments	1,500,000	-	-
Due from broker	52,363	-	-
Other receivables and prepayments	114,456	-	-
Cash and cash equivalents	3,637,585	-	-
	10,619,787	30,303,633	-
Borrowings	200,000	10,792,665	-
Other payables	298,653	-	-
	498,653	10,792,665	-

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 capital structure of the Group consists of net debt (comprising debt less cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings). At 31 December 2015 there is no net debt position because the cash received in the December 2015 share issue had not yet been invested.

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

The gearing ratio at 31 December 2015 is as follows:

	31.12.2015	31.10.2014
	£	£
Debt	**3,008,083**	10,992,665
Cash and cash equivalents	**(22,986,223)**	(3,637,585)
Net debt	**(19,978,140)**	7,355,080
Equity	**58,726,693**	29,632,102
Net debt to equity ratio (%)	**-**	24.82

12 SHARE CAPITAL

Authorised Share Capital	**31 December 2015** **£**
Unlimited Ordinary Shares of no par value	-

Issued Share Capital	**Number of Shares**	**Share Premium** **£**
Shares at 31 December 2015	**52,960,000**	**54,241,526**
Shares at 31 October 2014	**26,600,000**	**25,581,500**

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

Following a share placing and offer, 6,363,650 ordinary shares were issued on 16 December 2014 for a consideration of £1.10 per share. £7,000,015 was raised from the shares issued, less share issue costs amounting to £190,000.

Following a share placing and offer, a further 19,996,350 ordinary shares were issued on 18 December 2015 for a consideration of £1.115 per share. £22,295,930 was raised from the shares issued, less share issue costs amounting to £445,919.

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

13 DIVIDENDS

	31.12.2015 **£**	31.10.2014 £
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 3.0p per share paid 29 December 2015	**988,910**	
Dividend of 3.0p per share paid 3 February 2014	-	798,000
Special Dividend of 25.0p per share paid 17 June 2014	-	6,650,000
Dividend of 2.0p per share paid 27 June 2014	-	532,000
	2,528,592	7,980,000

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 £58,726,693 and on 52,960,000 Ordinary Shares in issue at 31 December 2015.

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

	31.12.2015	31.10.2014
	£	£
Consolidated financial statements NAV	58,726,693	29,632,102
No. of shares in issue	52,960,000	26,600,000
NAV per Share	1.1089	1.1140
Add/(deduct):		
Adjustment to fair value of investments	-	(208,739)
NAV per Share reported on the CISE	1.1089	1.1061

15 RELATED PARTY TRANSACTIONS

Included within dividend income are amounts of £404,572 (2014: £413,021) from Column Holdings Limited and £690,328 (2014: £846,479) 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 are common to the Company.

Also included within dividend income are amounts of £1,015,651 (2014: £ Nil) in respect of Legis Group Holdings Limited ordinary shares and £12,329 (2014: £159,127) in respect of Legis Group Holdings Limited preference shares. At 31 December 2015 there was dividend income outstanding of £ Nil (2014: £112,500) due from Legis Group Holdings Limited. The preference shares were redeemed on 11 December 2014.

Loans to subsidiaries are detailed in note 16. Included within loan interest is £81,323 (2014:£163,995) 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%

On 26 November 2014 the Group purchased the remaining 45% of the share capital of ASG Group Limited ("ASG") for £1,325,000. The founding shareholders of ASG together retain a 25% 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, 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.

	31.12.2015	31.10.2014
	£	£
Profit and total comprehensive income for the period/year	2,963,157	3,159,411
Weighted average number of shares in issue	32,886,712	26,600,000
Earnings/(loss) per share – basic and diluted	0.0901	0.1188

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 period	**6.81%**	9.46%
Cumulative Internal Rate of Return	**7.63%**	7.75%

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 6 April 2016, which is the date the financial statements were available to be issued.

On 19 February 2016 the Group purchased a 40% share in Sandpiper (CI) Limited. Sandpiper is the Channel Islands' leading retailer, operating 55 stores in the Channel Islands and 9 internationally. The cost of the investment, which included equity and loan notes together with related costs was £11,383,207.

In March 2016 the sale of the Company's shares in Legis Tax Services sale was agreed for the sum of £575,000.

BAILIWICK INVESTMENTS LIMITED
PORTFOLIO STATEMENT
31 DECEMBER 2015

	31.12.2015	
	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 Aggregates Limited Ord NPV	**3,000,000**	**1,950,000**
Channel Islands Stock Exchange Ord GBP0.10	**242,666**	**121,333**
Channel Islands Securities Exchange Ord GBP1.00	**325,000**	**568,750**
FB Limited Ord GBP1.00	**3**	**447,135**
Guernsey Recycling (1996) Limited Ord GBP1.00	**242,490**	**3,794,969**
Jersey Electricity Company '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**
Ravenscroft Investments PCC Limited - Octane Cell	**9,650,000**	**9,650,000**
Total equities		**26,494,687**
		38,901,997

	31.10.2014	
	Nominal holding	Fair value £
Investment in subsidiaries - 81.64%		
ASG Group Limited	550	2,100,000
Bailiwick Investment Holdings Limited Ord	2	210,087
Column Holdings Limited Ord	2	6,198,363
Commerce Holdings Limited Ord	10,080	16,972,519
Legis Group Holdings Limited 'A' Ord	98,848	4,822,664
Total investment in subsidiaries		30,303,633
Interest bearing investments - 4.04%		
Legis Group Holdings Limited 'D' Preference Shares	1,500,000	1,500,000
Total interest bearing investments		1,500,000
Equities - 14.32%		
Breedon Aggregates Limited Ord NPV	6,000,000	2,602,800
Channel Islands Stock Exchange Ord GBP0.10	242,666	121,333
Channel Islands Securities Exchange Ord GBP1.00	325,000	406,250
Jersey Electricity Company 'A' Ord GBP0.05	500,000	1,675,000
Jersey Water Ord GBP0.50	100,000	510,000
Total equities		5,315,383
		37,119,016