THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains proposals relating to Bailiwick Investments Limited on which you are being asked to vote.

If you have sold or otherwise transferred all of your Shares, please forward this Circular together with any other accompanying documents at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

BAILIWICK INVESTMENTS LIMITED

(an authorised closed-ended investment company incorporated under the laws of Guernsey with registered number 49479)

Written Special Resolution of the Company

Proposed issue of up to 20,000,000 ordinary shares of no par value in the Company

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The Company is an authorised closed-ended investment scheme in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Authorised Closed-Ended Investment Schemes Rules 2008.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council has taken any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. The Guernsey Financial Services Commission has not reviewed this Circular and it, together with the States of Guernsey Policy Council, take no responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

This Circular should be read as a whole. Your attention is drawn to the letter from the directors of the Company set out in this circular which contains a recommendation from the directors that you vote in favour of the resolution proposed as a written special resolution of the Shareholders referred to below.

The written special resolution of the holders of Shareholders in Bailiwick Investments Limited (the "**Company**") (the "**Resolution**"), is set out on pages 5 and 6 of this Circular and, to be valid, must be completed, signed and returned in accordance with the instructions printed thereon and received at the Company's registered office as soon as possible but, in any event, so as to arrive no later than 12:00 p.m. on 17 December 2015.

Once the requisite number of assenting votes, being 75% or more of the total number of Shares in issue in the Company, have been received at the Company's registered office prior to the date set out above, the Resolution shall be deemed passed in accordance with the provisions of the Companies (Guernsey) Law, 2008.

6574583.1

LETTER FROM THE CHAIRMAN OF

BAILIWICK INVESTMENTS LIMITED

(a company incorporated with limited liability under the laws of Guernsey with registered number 49479)

Directors	*Registered Office*
David Lowe (Chairman)	PO Box 141
John Henwood	La Tonnelle House
Charles Parkinson	Les Banques
	St. Sampson
	Guernsey
	GY1 3HS

4 December 2015

To: *the Shareholders*

Dear Shareholder

Proposed issue of a further 20,000,000 ordinary shares ("Placing Shares") of no par value in the Company (the "Placing") at an issue price of 111.5p per share

1 Introduction and Proposals

1.1 The Company has agreed to take a minority stake in an investor grouping which will buy the Sandpiper Group, which includes a number of food retail businesses and franchises in Jersey and Guernsey and a Costa franchise business in Spain. It is anticipated that the Company will invest the majority of the Net Proceeds in the acquisition of the Sandpiper Group with the remainder of the Net Proceeds being used thereafter in line with the Company's investment policy and objectives.

1.2 A sale purchase agreement has been signed between the Company, the other investors and a seller grouping including investor entities of Europa Capital and Duke Street. The value of the consideration under the sale purchase agreement was determined on the basis of an extensive due diligence exercise and by reference to the latest audited and management accounts of the Sandpiper Group and is regarded by the board as a fair value price for the Sandpiper Group. The consideration payable will be satisfied in cash.

1.3 The scale of the transaction means it constitutes a disclosable transaction pursuant to the listing rules of the Channel Islands Securities Exchange Authority. Further detail of the transaction, including the latest audited accounts of the Sandpiper Group are contained in a revised listing document, a copy of which is attached hereto as Appendix A.

1.4 The transaction is subject to the approval of the Jersey Competition Regulatory Authority. It is anticipated that approval will be received by the end of 2015, shortly following which, the transaction will be completed.

1.5 Sandpiper is one of the largest private companies in the Channel Islands with 900 employees and ongoing turnover of circa £160 million. Following the recent sale of Cimandis, the business is now clearly focused on two divisions: Food Retail and Franchise.

- Food Retail: The company is the second largest food retailer in the islands, controlling both their own chain of convenience stores together with franchise stores for Iceland and Marks & Spencer, Jersey.

- Franchise Operations: The company's management have established operations for 10 UK brands in non-food and specialist brand retail.

1.6 Given the Sandpiper Group's position in the home market, the business has relatively limited scope for substantial growth within a geographically constrained environment. Management has therefore begun to leverage its expertise and franchise relationships into new territories. The company now has 8 Costa Coffee franchised outlets in Spain, covering the exclusive franchise territories of Madrid and Andalucía/Gibraltar. They are also currently developing options with other current franchisors to extend operations in both Spain and France which may be executed in the future.

1.7 It is the opinion of the Manager and the Company that the Sandpiper Group meets the investment criteria of the Company and will be able to contribute to the continuation of the current dividend policy.

1.8 The Manager believes that the acquisition of the Sandpiper Group gives the Company the opportunity to acquire a well-run, profitable business with significant property and business assets at a fair price. In arriving at this conclusion the investment manager believes that it has used prudent valuation inputs. The major ones being that property assets are valued at an initial yield of 8% and business assets are valued at an earnings multiple of four. The transaction will in the opinion of the Manager be earnings accretive from the date of acquisition.

1.9 The Board wishes to seek Shareholder approval to disapply existing pre-emption rights in respect of a proposed placing (the "**Proposals**"). The purpose of this Circular is to provide Shareholders with details of, and to seek Shareholder approval for, the Proposals.

1.10 It is the Company's aim to raise up to £22,300,000 before expenses by the Placing, to assist in financing the Sandpiper investment and to provide working capital for future investments. Subject to the passing of the Resolutions, the Board intends to market the Placing to both existing and potential new Shareholders with an anticipated completion date on 18 December 2015 but in any event on or before 31 March 2016.

1.11 Additionally the Board proposes to make changes to the Company's investment management structure.

2 Disapplication of Pre-emption Rights

2.1 As a Guernsey-incorporated vehicle, the Company is not subject to any statutory requirements in respect of Shareholder pre-emption rights on the allotment of new Shares. The Company's previous listing document issued in December 2014 (the **"Listing Document**"), however, contains a restriction whereby no issue of Shares of an amount above 10% of the Company's issued share capital will be made other than on a pre-emptive basis without the prior consent of a special resolution of

Shareholders. The Placing, if fully effected, would constitute an allotment of up to approximately 37.8% of the enlarged issued share capital of the Company. Shares will be issued at a price of 111.5 pence, a slight premium to NAV

2.2 The Board feels that, in light of the Placing, it is appropriate to seek the approval of Shareholders to disapply the pre-emption rights set out in the Listing Document.

2.3 It is not anticipated that the value of Shareholders' current investment in the Company will be diluted as a result of the Placing. Although Shareholders' shareholding in the Company will be diluted, it is the intention of the Company to remain fully invested and continue to follow its current investment strategy with the aim to increase Shareholder value.

3 Proposed Written Resolutions

It is proposed to pass the following written special resolutions of the Company:

*"(1) **IT IS RESOLVED** as a special resolution of the Company that, the pre-emption provisions set out in section 10 of Part I of the Listing Document (as defined in the Circular dated 4 December 2015) be, and hereby are, disapplied in respect of the proposed issuing and allotting of up to twenty million shares (20,000,000) ordinary shares of no par value in the share capital of the Company to be effected as part of the Placing (as defined in the Circular dated 4 December 2015) prior to or on 31 March 2016;*

(the "**Resolutions**").

4 Action to be taken by Shareholders

You will find a counterpart of the Resolution enclosed with this circular. You are urged to complete and return the Resolution in accordance with the instructions set out thereon, as soon as possible but in any event by no later than 12:00 p.m. on 17 December 2015, to the registered office of the Company at PO Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS.

The Resolution will be effective when passed by Shareholders holding 75% of the ordinary shares of no par value in the Company.

If the Resolution not passed within 28 days of the Circulation Date (as set out in this Circular), the Resolution shall lapse.

5 Recommendation

The Directors consider the passing of the Resolution to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolution.

By Order of the Board

Bailiwick Investments Limited

4 December 2015

Registered Office

PO Box 141
La Tonnelle House
Les Banques
St. Sampson
Guernsey

GY1 3HS

CIRCULATION DATE: **4 December 2015**

BAILIWICK INVESTMENTS LIMITED
(an authorised closed-ended investment company incorporated under the laws of Guernsey with registered number 49479)
(the "Company")

WRITTEN RESOLUTION

Pursuant to section 175(2)(b) of The Companies (Guernsey) Law, 2008

Pursuant to section 182 of The Companies (Guernsey) Law, 2008, the directors of the Company propose that the following **Resolution** is passed as a Special Resolutions of the Company):

Special Resolution

IT IS RESOLVED as a special resolution of the Company that, the pre-emption provisions set out in section 10 of Part I of the Listing Document (as defined in the Circular dated 4 December 2015) be, and hereby are, disapplied in respect of the proposed issuing and allotting of up to twenty million shares (20,000,000) ordinary shares of no par value in the share capital of the Company to be effected as part of the Placing (as defined in the Circular dated 4 December 2015) prior to or on 31 March 2016;

This resolution may be executed in any number of counterparts. All the counterparts shall together constitute a single instrument.

Notes:

1. Please signify your agreement to the resolutions proposed herein by signing and dating your copy (on the date of signing) and returning a PDF or fax copy to the Company as soon as possible, with the original signed copy returned to the Company immediately to be kept with the Company books.

2. The resolutions set out above will lapse if not passed within 28 days of the date of circulation of these resolutions.

3. If you wish to cast all of your votes for or against a resolution you should tick in the space provided in respect of that resolution and sign where indicated. If you do so, you are deemed to have voted the total voting rights attributable to the shares you hold as evidenced by the register of members at the Circulation Date unless otherwise indicated by you in relation to that resolution.

SPECIAL RESOLUTIONS	FOR	AGAINST	NO. OF SHARES VOTED (IF NOT ALL)
IT IS RESOLVED as a special resolution of the Company that, the pre-emption provisions set out in section 10 of Part I of the Listing Document (as defined in the			

Circular dated 4 December 2015) be, and hereby are, disapplied in respect of the proposed issuing and allotting of up to twenty million shares (20,000,000) ordinary shares of no par value in the share capital of the Company to be effected as part of the Placing (as defined in the Circular dated 4 December 2015) prior to or on 31 March 2016;			

____
Signed for and on behalf of

____

Date: ________________

Appendix A
Revised Listing Document

This document (the "Listing Document") includes particulars given in compliance with the Listing Rules (the "CISEA Listing Rules") of the Channel Islands Securities Exchange Authority Limited (the "CISEA") for the purpose of giving information with regard to Bailiwick Investments Limited (the "Company"). The directors of the Company (the "Directors"), whose names appear on page 4 of this document and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to the CISEA for up to a further 20,000,000 Ordinary Shares of no par value each (the "Placing Shares") to be admitted to the Official List of the CISEA. It is expected that admission of the Placing Shares to the Official List of the CISEA will become effective, and that dealings shall commence, on or about 18 December 2015 ("Admission").

BAILIWICK INVESTMENTS LIMITED

(a closed-ended investment company incorporated with limited liability under The Companies (Guernsey) Law, 2008 with registered number 49479)

in respect of the admission of up to a further 20,000,000 ordinary shares of no par value each to trading on the CISEA

SPONSOR TO THE CISEA LISTING:
CAREY COMMERCIAL LIMITED

Share capital of the Company immediately following Admission
(assumes Placing is fully subscribed)

Authorised Number		**Issued and fully paid up to**	
		Number	**Amount**
Unlimited	Ordinary Shares of no par value	52,963,650	£54,691,515

The Company is a closed-ended investment company authorised under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the financial soundness of the Company as a collective investment scheme or for the correctness of any statements made or opinions expressed with regard to it.

The Placing Shares will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank pari passu in all respects with the other existing Ordinary Shares in issue on Admission.

Neither the admission of the Placing Shares to the Official List nor the approval of the Listing Document pursuant to the listing requirements of the CISEA shall constitute a warranty or representation by the CISEA as to the competence of the service providers to or any other party connected with the Placing Shares, the adequacy and accuracy of the information contained in the Listing Document or the suitability of the issuer for investment or any other purpose.

Carey Commercial Limited is regulated by the Guernsey Financial Services Commission and is acting exclusively for the Company and for no one else in connection with the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or the Placing or Admission or otherwise. The responsibility of Carey Commercial Limited as sponsor to the Company is owed solely to the Channel Islands Securities Exchange Authority Limited. No representation or warranty, express or implied, is made by Carey Commercial Limited as to the contents of this document or for the omission of any material information from this document. No liability whatsoever is accepted by Carey Commercial Limited for the accuracy of any information or opinions contained in this document or for the omission of any information for which it is not responsible.

Copies of this document will be available during normal business hours on any day (except Saturdays, Sundays, Bank and Public Holidays in Guernsey) free of charge to the public at the offices of Saffery Champness Fund Services Limited at P.O. Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS for one month from the date of Admission.

CONTENTS

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors	David Lowe (Non-executive Chairman) John Henwood (Non-executive Director) Charles Parkinson (Non-executive Director) each of: P.O. Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Registered Office	P.O. Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Legal Advisers	Collas Crill Glategny Court P.O. Box 140 Glategny Esplanade St. Peter Port Guernsey GY1 4EW
Auditors	Grant Thornton Limited Lefebvre House Lefebvre Street St. Peter Port Guernsey GY1 3TF
Administrator/Registrar	Saffery Champness Fund Services Limited P.O. Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Bankers	RBS International 1 Glategny Esplanade St. Peter Port Guernsey GY1 4BQ
Listing Sponsors	Carey Commercial Limited P.O. Box 285 1st and 2nd Floors Elizabeth House Le Ruettes Brayes St. Peter Port Guernsey GY1 4LX

Property Valuers	CBRE Jersey Limited 45 Century Buildings The Esplanade St. Helier Jersey JE2 3AD
Investment Manager	Ravenscroft Limited P.O. Box 222 Level 5, The Market Buildings Fountain Street St. Peter Port Guernsey GY1 4JG

PLACING STATISTICS

Placing Price per Ordinary Share	111.5p
Number of new Ordinary Shares being placed	20,000,000
Number of Ordinary Shares in issue immediately following the Placing	52,963,650
Market capitalisation of the Company at the Placing Price	£54,691,515
Estimated net proceeds of the Placing receivable by the Company	£21,824,000

COSTS OF PLACING

Manager's placing fee	2% of placing proceeds
Legal fees	£30,000

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Offer period	4 December to 17 December 2015
Admission and commencement of dealings in Placing Shares	18 December 2015
Issue and despatch of definitive share certificates	By 23 December 2015

All times are Guernsey times.

KEY INFORMATION

The following information should be read in conjunction with the full text of this document from which it is derived and of which it forms part. Potential investors should read the whole document and not just rely on the key information set out below. Your attention is drawn, in particular, to the risk factors in Part IV of this document.

1. The Company

Bailiwick Investments Limited is a Guernsey authorised closed-ended investment company which was incorporated under The Companies (Guernsey) Law, 2008 on 22 September 2008 with registration number 49479. The Company has an indefinite life. Ravenscroft Limited is appointed as the Company's investment manager on the terms set out in this document.

There is no fixed period within which the Company is required to make investments or return funds to shareholders.

On 15 December 2008 the Company's Shares were listed on the Channel Island Stock Exchange, LBG. At the end of 2013, the Channel Island Stock Exchange, LBG was restructured so that the business of the company was transferred to a new company, the Channel Islands Securities Exchange Authority Limited, which became the new operator of the investment exchange. The transfer occurred by way of a Guernsey scheme of arrangement.

2. Investment Objective and Policy

The Company has been established with the objective of attaining long term capital growth by investment in a diversified portfolio of investments principally in businesses, property and assets situate, 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.

Typically, the funds raised by the Company were to be used to provide a full or partial exit for the existing shareholders of investee companies as well as facilitating expansion of their businesses and to help increase their financial robustness. The board remains mindful of the value that many shareholders attach to the dividend stream that the Company has been able to provide in its stock selection. Accordingly, the Company will continue to favour companies that are strongly cash-positive.

The table below illustrates the Company's performance since inception.

Date	Net Asset Value	Total Shares	N.A.V. per Share
31/01/2009	25,501,816.66	26,600,000	0.9587
30/04/2009	25,638,953.60	26,600,000	0.9639
31/07/2009	25,863,617.67	26,600,000	0.9723
31/10/2009	24,262,744.62	26,600,000	0.9121
31/01/2010	24,299,736.52	26,600,000	0.9135
30/04/2010	24,507,110.85	26,600,000	0.9213
30/07/2010	24,085,552.95	26,600,000	0.9055
31/07/2010	24,649,733.93	26,600,000	0.9267
31/10/2010	24,698,518.23	26,600,000	0.9285
31/01/2011	24,962,316.27	26,600,000	0.9384
30/04/2011	25,286,838.79	26,600,000	0.9506
30/07/2011	25,002,088.94	26,600,000	0.9399
31/07/2011	25,117,971.90	26,600,000	0.9443
31/10/2011	25,601,406.35	26,600,000	0.9625
31/01/2012	25,133,511.10	26,600,000	0.9449
30/04/2012	25,830,690.96	26,600,000	0.9711
31/07/2012	25,649,337.73	26,600,000	0.9643
31/10/2012	27,103,549.75	26,600,000	1.0189

31/01/2013	26,656,769.39	26,600,000	1.21
30/04/2013	30,104,689.11	26,600,000	1.1318
31/07/2013	30,194,214.90	26,600,000	1.1351
31/10/2013	34,509,345.32	26,600,000	1.2973
31/01/2014	34,695,253.95	26,600,000	1.3043
30/04/2014	35,282,386.18	26,600,000	1.3264
31/07/2014	27,862,508.23	26,600,000	1.0475
31/10/2014	29,632,400.00	26,600,000	1.1140
31/01/2015	36,217,162.26	32,963,650	1.0987
30/04/2015	37,565,375.54	32,963,650	1.1396
31/07/2015	36,662,171.53	32,963,650	1.1122
30/09/2015	36,826,989.78	32,963,650	1.1172

At launch, the Company issued 26,600,000 ordinary no par value shares on 15 December 2008. On 16 December 2014, the Company issued an additional 6,363,650 ordinary shares bringing the total number of shares in issue to 32,963,650.

The Company's dividend history is as follows:

Declaration date	**Pay date**	**Dividend per share (pence)**	**Total dividend paid (£)**
12/10/2010	05/11/2010	1.50	399,000
18/05/2011	10/06/2011	1.25	332,500
16/01/2012	10/02/2012	2	532,000
18/05/2012	15/06/2012	2	532,000
03/01/2013	01/02/2013	2.50	665,000
29/05/2013	21/06/2013	2	532,000
03/01/2014	03/02/2014	3	798,000
20/05/2014	17/06/2014	25	6,650,000
28/05/2014	27/06/2014	2	532,000
05/12/2014	05/01/2015	3	798,000
28/05/2015	19/06/2015	2.25	741,682
Totals:		**46.50**	**12,512,182**

Subject thereto (and to the restrictions described in paragraph 5 below) there are no geographical or other limitations or restrictions to which investment by the Company is subject.

The Company may invest in unquoted stocks and private companies. Companies in which the Company is expected to invest are also likely, in the opinion of the Board and Manager, to typically have one or more of the following attributes:-

(i) a requirement to increase the scale of its operations;

(ii) a need to replace a retiring owner-manager, or early stage investors;

(iii) a need to change strategy and invest to make it an attractive sale or flotation prospect;

(iv) a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

Typically, the funds raised by the Company were to be used to provide a full or partial exit for the existing shareholders of investee companies as well as facilitating expansion of their businesses and to help increase their financial robustness. Businesses in which the Company is to invest should, in the opinion of the Manager, be capable of achieving a realisation ultimately either through a sale or by listing of their shares on a stock exchange.

Pending investment, the Placing Proceeds will be held in cash or near cash investments.

3. Use of Proceeds

The Net Proceeds will be used to effect an investment in the Sandpiper Group and to make such other investments as the Manager may recommend in line with the Company's investment policy and objectives as set out in this document.

The Company has agreed to take a minority stake in an investor grouping which will buy the Sandpiper Group, which includes a number of food retail businesses and franchises in Jersey and Guernsey and a Costa franchise business in Spain. It is anticipated that the Company will invest the majority of the Net Proceeds in the acquisition of the Sandpiper Group with the remainder of the Net Proceeds being used thereafter in line with the Company's investment policy and objectives.

A sale purchase agreement has been signed between the Company, the other investors and a seller grouping including investor entities of Europa Capital and Duke Street.

The value of the consideration under the sale purchase agreement was determined on the basis of an extensive due diligence exercise and by reference to the latest audited and management accounts of the Sandpiper Group and is regarded by the board as a fair value price for the Sandpiper Group . The consideration payable will be satisfied in cash.

The audited accounts for the Sandpiper Group for the year to 31 January 2015 are set out in Appendix 2. These audited accounts reflect the fact that the Sandpiper Group was owned by private equity at the balance sheet date and these owners had utilised various financial structures including deep discounted bonds.

The transaction is subject to the approval of the Jersey Competition Regulatory Authority. It is anticipated that approval will be received by the end of 2015, shortly following which, the transaction will be completed.

It is anticipated that will ultimately own between 48% and 49% of the capital of the holding company of the Sandpiper Group. All shares in that holding company will following Completion rank pari passu.

Sandpiper is one of the largest private companies in the Channel Islands with 900 employees and ongoing turnover of circa £160 million. Following the recent sale of Cimandis, the business is now clearly focused on two divisions: Food Retail and Franchise.

- Food Retail: The company is the second largest food retailer in the islands, controlling both their own chain of convenience stores together with franchise stores for Iceland and Marks & Spencer, Jersey.
- Franchise Operations: The company's management have established operations for 10 UK brands in non-food and specialist brand retail.

Given the Sandpiper Group's position in the home market, the business has relatively limited scope for substantial growth within a geographically constrained environment. Management has therefore begun to leverage its expertise and franchise relationships into new territories. The company now has 8 Costa Coffee franchised outlets in Spain, covering the exclusive franchise territories of Madrid and Andalucía/Gibraltar. They are also currently developing options with other current franchisors to extend operations in both Spain and France which may be executed in the future.

It is the opinion of the Manager and the Company that the Sandpiper Group meets the investment criteria of the Company and will be able to contribute to the continuation of the current dividend policy.

The Manager believes that the acquisition of the Sandpiper Group gives the Company the opportunity to acquire a well-run, profitable business with significant property and business assets at a fair price. In arriving at this conclusion the investment manager believes that it has used prudent valuation inputs. The major ones being that property assets are valued at an initial yield of 8% and business assets are valued at an earnings multiple of four. The transaction will in the opinion of the Manager be earnings accretive from the date of acquisition.

4. The Company's Portfolio and Condensed Balance Sheet (as at 30 September 2015)

	30-Sep-15	31-Oct-14
	£	£
Assets		
Financial assets at fair value through profit or loss		
Private Equity Investments	23,809,808	6,922,664
Property	6,560,343	23,380,969
Equities	5,007,583	5,315,383
interest bearing investments		1,500,000
Due from broker	68,027	52,363
Other receivables and prepayments	336,921	114,456
Cash and cash equivalents	4,426,550	3,637,585
Total Assets	**40,209,232**	**40,923,420**
Liabilities		
Creditors	352,214	298,653
Loan payable	3,029,848	10,992,665
Total Liabilities	**3,382,062**	**11,291,318**
Net assets	**36,827,170**	**29,632,102**
Equity		
Share capital		
Share premium	32,391,515	25,581,500
Revenue Reserves	4,435,655	4,050,602
Total Equity	**36,827,170**	**29,632,102**
Net Asset Value per Ordinary Share	1.1172	1.114

The Company's current portfolio composition together with valuations as at 30 September 2015 are set out below.

When valuing the underlying investee companies, the Company reviews information provided by the underlying investee companies and applies the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines and methodologies, to estimate a fair value that is in adherence with the requirements of IFRS 13 as at the reporting date. Initially acquisitions are valued at the price of recent investment. Once maintainable earnings under the company's ownership can be identified the preferred method of valuation is the earnings multiple valuation technique, where a multiple that is an appropriate and reasonable indicator of value (given the size, risk profile and earnings growth prospects of the underlying company) is applied to the maintainable earnings of the company.

Occasionally other methods as deemed suitable may be used, such as revenue or gross profit multiples, net assets, break-up value or discounted cash flows. The techniques used in determining the fair value of the Company's investments are selected on an investment by investment basis as to maximise the use of market based observable inputs.

The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the sale of investments may differ from the fair values reflected in these financial statements and the differences may be significant.

Where the price of recent investment is determined to be the most appropriate methodology the transactional price will be that of the investment by the Company.

Bailiwick Investments Limited
Portfolio Valuation (as at 30 September 2015)

Nominal	Name	Purchase Cost GBP	Fair Value GBP
Private Equity			
1,000	ASG Group Limited	3,425,000	4,499,197
3	F B Limited	432,135	432,135
242,490	Guernsey Recycling (1996) Limited	3,794,969	3,794,969
98,848	Legis Group Holdings Limited Ordinary A shares	1	961,626
15,000	Legis Tax Services Limited	0	255,000
10,000	Orangefield Legis Holdings Limited	55,931	1,091,881
9,650,000	Ravenscroft Inv PCC Ltd - Octane cel	9,650,000	9,650,000
30	Acorn Group Holdings Limited	3,125,000	3,125,000
		20,483,036	**23,809,808**
Equity			
500,000	Jersey Electricity Ord GBP 0.05 A	1,672,625	2,250,000
100,000	Jersey Water Ord Shares of £0.50	445,905	625,000
3,700,000	Breedon Aggregates Limited	613,337	1,605,000
325,000	Channel Islands Securities Exchange Ord Sh of £1	325,000	406,250

242,666	Channel Islands Stock Exchange Ord GBP 0.10	1,313,230	121,333
		4,370,097	**5,007,583**
Property			
1	Bailiwick Investment Holdings Limited	200,000	211,341
5,000	Bailiwick Property Holdings Limited	10,000,000	6,349,002
		10,000,000	**6,560,343**
Total		**34,853,133**	**35,377,734**

On 10 November 2015, the Directors announced the purchase of an 11% interest in Miton Optimal International Limited, a global multi-asset management company. MitonOptimal is an experienced 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. On 11 November 2015 the Directors sold the Company's 10% interest in Orangefield Legis Holdings Limited at a value of £1,091,881.

On 27 November 2015 the Board of Directors of the Company declared a dividend of 3 pence per share. This dividend will be paid on 29 December 2015 but will be payable solely in respect of shares in issue at the time of declaration. For the avoidance of doubt the Placing Shares will be issued ex-dividend and the Placing Price has been adjusted to reflect a reduction in the net asset value per Ordinary Share of 3 pence arising from the declaration of the dividend in respect of the existing shares.

Save to the extent referred above, the Directors are unaware of any material change in the portfolio or any event likely to materially affect the valuation since 30 September 2015.

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:

- Unadjusted quoted prices in active markets for identical assets or liabilities (Level 1);

- 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) (Level 2); and

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

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 Company. The Company 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 Company's financial assets and liabilities measured at fair value at 30 September 2015.

	Level 1	Level 2	Level 3	Total

	£	£	£	£
Investments at fair value				
Equity securities				
Construction	**1,605,000**	**-**	-	**1,605,000**
Financial services	-	**1,498,131**	**121,333**	**1,619,464**
Utilities	**2,250,000**	**625,000**	-	**2,875,000**
Debt securities	-	-	-	-
Investment in subsidiaries				
Aircraft hangarage and servicing	-	-	**4,499,197**	**4,499,197**
Investment property	-	-	**6,992,478**	**6,992,478**
Financial services	-	-	**4,341,626**	**4,341,626**
Car Dealership	-	-	**9,650,000**	**9,650,000**
Waste and Recycling services	-	-	**3,794,969**	**3,794,969**
	3,855,000	**2,123,131**	**29,399,603**	**35,377,734**

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.

Jackson (CI)

The Company indirectly holds 36% of the equity holding in Jacksons CI Group through its investment in the Octane Cell of Ravenscroft Investments PCC Limited. The Jacksons CI Group is regarded as the Channel Islands' leading motor dealership company. The Jacksons CI Group includes the Jacksons and Motor Mall dealerships in Jersey and Guernsey, Trinity Tyres in Jersey and St Martin's Tyres in Guernsey. The freehold properties are located in prime locations with large modern showrooms, excellent visibility and ample parking. Jacksons has full franchises for Audi, Mercedes Benz, Volkswagen, Bentley, Porsche, Smart, Aston Martin, BMW and Mini. The Motormall business operates different franchises including Chrysler, Citroen, Jeep, Peugeot, Seat, Skoda, Suzuki and Volvo; they are also the Channel Islands dealers for Jaguar and Land Rover. Each outlet also has a high quality used car sales offering. Notwithstanding recent news stories around the Volkswagen group, due to the breadth of the Jacksons CI Group's range of franchises the impact of this on the investment is expected to be minimised. The Company has owned this investment since December 2014 and as such has not held the investment through a full year of operations and audit cycle. Jacksons is performing broadly in line with budgets and forecasts set at the time of acquisition. It has therefore been decided to carry the investment at cost as this is considered to be the best estimate of fair value.

ASG Limited

The Company has a 100% equity holding of the property holding companies and 50% equity holding in the operating subsidiaries of ASG Group Limited. ASG Group Limited is a fixed-base aviation operator located in Guernsey. It operates over 41,000sq.ft of modern aircraft hangar offering a range of aeronautical services including aircraft maintenance and servicing, avionics support, aircraft handling, hangarage and management. ASG is the only true all-in-one fixed based operator in the Channel Islands. ASG was purchased by the Company in November 2014 and as such has not held the investment through a full year of operations and audit cycle. ASG is performing in line with budgets and forecasts set at the time of acquisition. It has therefore been decided to carry the investment at cost as this is considered to be the best estimate of fair value.

Guernsey Recycling Limited

The Company has a 29% equity holding in Guernsey Recycling Group. Guernsey Recycling Group was formed in 2015 following the merger of Guernsey Recycling Ltd and Island Waste Limited. Guernsey Recycling Group operates over three sites in Guernsey; Bulwer Avenue, Les Monmains Estate and North Quay, St. Sampson. Guernsey Recycling Group has invested heavily in modern recycling plant and equipment and an extensive programme of environmentally protective groundwork and provides a service to the Island by processing more than 30,000 tonnes of different types of waste each year. Services include the recycling of ferrous and non-ferrous scrap metal, paper, cardboard, plastic, beverage cartons, tins and cans as well as waste oil and the production of bio-diesel. Guernsey Recycling Limited is also contracted to the States of Guernsey for its Bulk Refuse Disposal Contract under which all the old vehicles on the Island are recycled. The Company has owned this investment since May 2015. Guernsey Recycling Limited is performing broadly in line with budgets and forecasts set at the time of acquisition. It has therefore been decided to carry the investment at cost as this is considered to be the best estimate of fair value.

Acorn Finance Group

The Company has a 25% equity holding in Acorn Finance Group which incorporates Acorn Finance Ltd (principal company), Acorn Mortgages Ltd and Acorn Advisory Ltd. The Acorn Finance Group is a profitable alternative finance business based in Jersey, with a loan book of £35 million. The company funds its operations via a revolving facility provided by The Royal Bank of Scotland International, along with £11.8 million of shareholder funds. The Acorn Finance Group offers a variety of products including personal loans, secured loans, car finance, marine finance, business loans and retail finance. The Acorn Finance Group also offers independent mortgage advice, brokerage of private secured loan facilities and independent financial advice on related insurance protection products. It also acts as an agent in introducing consumer credit business to Close Finance (C.I). The Company has owned this investment since June 2015. The Acorn Finance Group is performing in line with budgets and forecasts set at the time of acquisition and given the fact that the acquisition only took place recently it has been decided to carry the investment at cost being the best estimate of fair value.

Breedon Aggregates

The Company holds 3,000,000 shares in Breedon Aggregates Limited. Breedon Aggregates Limited is the largest independent aggregates business in the UK and supplies an extensive range of products and services to the construction and building sectors. It operates 53 quarries, 26 asphalt plants, 59 ready-mixed concrete & mortar plants and three concrete block plants in England, Wales and Scotland, employing more than 1,200 people. Breedon Aggregates Limited has strong asset backing, with more than 500 million tonnes of mineral reserves and resources in the UK. Leading the highly experienced board is Chairman Peter Tom CBE, a well-known Guernsey resident with over 50 years' experience in the aggregates industry. This investment is quoted on the London Stock Exchange and valued using the prevailing mid market price.

Jersey Electricity Plc

The Company holds 500,000 shares in Jersey Electricity Plc. Jersey Electricity plc is a vertically integrated power utility dealing in the importation, generation, transmission and distribution of electricity. The company is the sole supplier of electricity in Jersey, serving around 50,000 domestic and commercial customers. Providing affordable, secure and sustainable energy is the company's core objective. This investment is quoted on the London Stock Exchange and valued using the prevailing mid-market price.

Orangefield Legis Holdings Limited

The Company held, at the time of the valuation, a 10% direct equity holding in Orangefield Legis Holdings Limited. Orangefield Legis Fund Services Limited is, one of the largest independent fund administrators in Guernsey. The asset schemes under administration are broadly split equally between property funds, private equity funds, alternative investment funds, traditional funds (including equity, hedge and bond funds) and fund of hedge funds. A number of these funds are listed on the London Stock Exchange or Alternative Investment Market ("LSE/AIM"), Johannesburg Stock Exchange (“JSX”), Irish Stock Exchange (“ISX”), Bermuda Stock Exchange (“BSX”) and the CISE. Orangefield Legis is a listing category 1, 2 & 3 sponsor of the CISE. Orangefield Legis provides intelligent, thoughtful solutions that come from decades of experience, has been recognised in numerous industry awards and employs approximately 50 members of staff. This is an unquoted investment and was valued on the basis of an indicative offer which the Company received as a result of the sale of the Orangefield business to an affiliate of Baring Private Equity Asia. This offer was accepted and the Company's stake in Orangefield Legis Holdings Limited was sold on 11 November 2015 at a value of £1,091,881.

Jersey Water

The Company owns 100,000 shares (representing approximately 1% of the equity share capital) in The Jersey New Waterworks Company Limited which operates as "Jersey Water". With a history dating back to 1882, The Jersey New Waterworks Company Limited is the oldest established Company on the Island of Jersey. Growing to meet the challenges of a rapidly expanding island population with limited natural water reserves, nearly all of the Island’s water supply is derived from rainfall. Operating from a total of 20 sites across the island, Jersey Water collects untreated or ‘raw’ water, stores it, treats it and then distributes mains water to over 90% of the population. This is an unquoted stock however there is a market in the shares and the fair value of the Company's holding is based on prices provided by market makers on a mid-market basis.

Channel Island Securities Exchange

The Company has a 13.7% equity holding in the Channel Islands Securities Exchange Limited ("CISE"). The CISE with offices in both Guernsey and Jersey provides a listing facility and a market for companies to raise capital from international investors based on a bespoke trading platform. CISE aims to be a leading international stock exchange in the European time zone serving the interests both of Channel Islands’ business and of issuers of specialist debt, investment funds and other equity securities from around the world. A variety of security types are listed on the market however the concentration is specialist securities, including, Eurobonds, Structured Debt, Warrants, Structured Funds and SPVs, including specialist debt issues for professional investors. There are also several unique and exclusive investment funds listed on the exchange. This is an unquoted stock however there is a market in the shares and the fair value of the Company's holding is based on prices provided by market makers on a matched bargain basis. The Manager, Ravenscroft Limited, is a market maker in respect of shares in CISE.

Legis Tax Services Limited

The Company has a 15% direct equity holding in Legis Tax Services Limited. Focused on delivering high quality services and practical solutions, Legis Tax Services Limited, a firm of Chartered Tax Advisers, is led by a management team combining over 50 years’ professional experience. Acting primarily for individual private clients and owner-managed businesses, Legis Tax Services Limited deals with all manner of personal and corporate tax and accounting issues, as well as the provision of advice to intermediary and professional firms on a range of complex tax issues. This is an unquoted investment and is valued using multiple of current earnings before interest, tax, depreciation and amortisation. The multiple used is comparable to those used in completed transactions for this type of business.

Nelson House

The Company also owns, by way of a special purpose vehicle, Nelson House, a grade A commercial property in Guernsey. A letter from the Company's property valuer, CBRE Limited, is attached at Appendix 4 confirming the valuation of Nelson House remains accurate.

FB Limited

On 27 August 2015, the Company acquired a 30% interest in FB Limited an entity holding the Oatlands Village location at a price of £432,134.60. Oatlands, which comprises 11 retail units, an outside activity area, a miniature golf course, two fields and a 75-space car park, was placed into administration in September 2014 but the tenants have continued to operate. All of the tenants have been informed that the site has been sold. It is the intention to breathe new life into Oatlands and create a premier attraction which is both sustainable and viable. The Company has owned this investment since August 2015 only and as such has not held the investment through a full year of operations and audit cycle. It has therefore been decided to carry the investment at cost as this is considered to be the best estimate of fair value.

5. **Investment Restrictions**

It is the Company's intention to maintain a diversified portfolio of investments principally in businesses, property and assets situate, registered, headquartered in or managed from the Channel Islands. As such it is intended that not less than 50 per cent. in value of the Company's NAV (or such lower or higher percentage as the Board may from time to time determine) should be invested in businesses or assets situate, registered or headquartered in the Bailiwicks.

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Manager from time to time.

Current guidelines require that no more than 25 per cent of the Company's NAV may be committed to any single investment, or more than 25 per cent of the Company's NAV in investments considered by the Board to be "special situations" in each case at the time of investment (or commitment). Subsequent to investment or commitment it is possible that such limits may be breached by virtue of the comparative success or otherwise of investments making up the Company's portfolio. Such limits may be increased up to 60 per cent for a specific investment if in a specific case the Board should consider it appropriate to do so.

The Board considered the acquisition of the Jacksons CI Group to be a special situation worthy of exceeding the 25 per cent of the Company's NAV threshold and the Company's investment therein does exceed 25 per cent of the Company's NAV however this is expected to drop to below 25 per cent following Admission.

6. Investment Process

Decisions as to the purchase and sale of investments rest with the Board, which will be advised by the Manager.

The Manager will actively search for investments which meet the criteria determined by the Board, from time to time. Once a potential investment opportunity is identified it will prepare a report for consideration by the Board.

Investment advice and recommendations for acquisition and disposal will be provided by the Manager to the Board for approval. The Manager has discretion to make and implement investment decisions without prior reference to the Board where the proposed investment transaction:-

(i) is in accordance with the investment policies, objectives and restrictions determined by the Company from time to time;

(ii) represents less than 5 per cent of the Company's NAV at the time of acquisition/disposal;

(iii) is not a Connected Party Transaction (as defined in the CISEA listing rules);

(iv) complies with any other guidelines set down by the Board from time to time.

In all other cases, transactions may only proceed with the approval of the Board.

7. Investment Management Arrangements

The Company has entered into the Investment Management Agreement with the Manager. Under the Investment Management Agreement, the Manager will be responsible for sourcing, evaluating, negotiating, completing, monitoring and managing investments on behalf of the Company and for advising the Board as to the Company's disposal policy and for implementing disposals determined by the Board.

8. Share capital of the Company

The Company's share capital structure comprises a single class of shares which have been admitted to trading on 15 December 2008. The authorised and issued share capital of the Company: (i) as at the date of this document; and (ii) as it will be immediately following Admission (all of which will be fully paid up) is set out below:

Before Admission

Authorised number of ordinary shares	Nominal value	Issued number of ordinary shares	Nominal value
Unlimited	No par value	32,963,650	No par value shares

Following Admission

Authorised number of ordinary shares	Nominal value	Issued number of ordinary shares	Nominal value
Unlimited	No par value	52,963,650	No par value shares

**assumes Placing is fully subscribed

No share capital of the Company is currently under option or agreed to be put under option.

As at the 30 September 2015 being the latest practicable date for valuation prior to the date of this document, the net asset value per Ordinary Share is £1.1162. At the time of issue the net asset value per Ordinary Share will be reduced by 3 pence per Ordinary Share as a result of the dividend declared on 27 November 2015.

The net asset value per Ordinary Share, expressed in sterling, will be provided on a quarterly basis and will be published on the CISEA website as soon as practicable after calculation.

The Company's memorandum and articles of incorporation provide for the issuance of C Shares, a possibility envisaged as part of the Listing Document. For the avoidance of doubt no C Shares have been issued and there is currently no intention to issue C Shares.

The Placing Shares are fully fungible with other existing Ordinary Shares. All Ordinary Shares may be traded on an equal basis and rank parri passu. The Ordinary Shares may not be converted into any other share class without the approval of a majority of shareholders.

9. Fees

The Manager is paid an annual management fee under the Investment Management Agreement, of 1 per cent of the Adjusted Closing NAV (excluding cash and near cash investments) and 0.10 per cent of the cash and near cash investments held by the Company. This fee is paid quarterly in advance.

The Manager may also become entitled to a performance fee in certain circumstances. The performance fee is calculated by taking an amount equal to 10 per cent of the amount by which, at the end of any accounting period, the Adjusted Closing 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 total number of Ordinary Shares in issue for the relevant performance period. If new shares are issued in any performance period any performance fee for such period will be calculated on a time apportioned basis based on the NAV of Ordinary Shares in issue and the issue price of each new share issued in such period and such apportionment shall apply in respect of the Placing Shares.

On 6 August 2015 the board of directors resolved to change the company's accounting period to 31 December with the result that the current accounting period will run from 1 November 2014 to 31 December 2015. Each subsequent accounting period is a period of one financial year ending on 31 December. The performance fee in respect of each Relevant Accounting Period shall become payable immediately following publication of the audited accounts for the Relevant Accounting Period. Payment of such performance fee shall be made as follows:

- 80 per cent. of such Performance Fee shall be payable in cash to the Manager; and
- the remaining 20 per cent. will be paid in cash into a clawback deposit account

provided always that payments made in respect of a performance fee shall, during the lifetime of the Company only be payable out of the proceeds of a disposal or realisation of an asset. To the extent that there are insufficient such monies available to make any such payment the excess shall remain due and payable for a period of 36 months.

If, in respect of a Relevant Accounting Period, the Adjusted Closing NAV is less than the opening NAV per Ordinary Share or the High Water Mark, immediately following the publication of the audited accounts for that Relevant Accounting Period an amount equal to 10% of the difference between the Adjusted Closing NAV and the higher of the Opening NAV per Ordinary Share for the relevant accounting period and the High Water Mark shall be transferred back to the Company from the clawback deposit account (to the extent that there is money available to do so in the clawback deposit account). Following any such payment the High Water Mark shall be decreased by ten times the amount transferred until a new Performance Fee is earned and a new High Water Mark established.

Monies paid into the clawback deposit account may only be released to the Manager upon the delivery of audited accounts for a period ending 36 months or more after the end of the Accounting Periods in respect of which they were paid into the clawback deposit account.

The audited accounts of the Company are drawn up using the valuation concepts consistent with IFRS 13 and IPEV Guidelines.

10. The Placing

Ordinary Shares are being conditionally placed at the Placing Price with investors, subject, inter alia, to the Placing Agreement becoming unconditional.

The Company has elected to offer the shares via a placing rather than on a pre-emptive basis to allow the Company to achieve a wider investor base and increase the scale of the offer being made.

The Placing is intended to raise up to £22,300,000 before expenses. The cash expenses of the Placing are estimated to amount to not more than £476,000 (assuming the maximum subscription is taken up) which includes a placing fee of 2 per cent of the Placing Proceeds payable to the Manager. The Placing is not being underwritten. The minimum subscription pursuant to the Placing on which the Company may proceed to allotment is £10 million. The Manager will receive its placing commission in cash and not shares.

There is no fixed period within which the Company is required to make an investment or return funds to Shareholders.

11. Dividend Policy

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment.

The Directors intend to continue to operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

12. Borrowings

The Company may borrow funds and such borrowings may, if required, be secured on its investments. Borrowings may not exceed 50 per cent (or such other percentage as may be determined in accordance with investment guidelines determined for the Manager by the Board from time to time) of the Company's last announced NAV at the time of draw down of such borrowings without approval of the Board.

The Company will also be indirectly exposed to the effects of gearing to the extent that any investee company has borrowings.

13. Report and Accounts and Accounting Policies

On 6 August 2015 the board of directors resolved to change the Company's accounting year end to 31 December with the result that the current accounting period will run from 1 November 2014 to 31 December 2015. Copies of the Company's most recent interim report and accounts are annexed here at Appendix 3 and these were prepared up to 30 April 2015. The Company's financial statements will be prepared in accordance with International Financial Reporting Standards.

The NAV will be calculated in accordance with the Articles and the accounting and valuation policies adopted by the Directors from time to time for inclusion in the audited accounts of the Company. The NAV will be calculated and published quarterly and will be notified to the CISEA as soon as practicable after calculation.

Information about the Company is available at its website: http://www.ravenscroft.gg/investment-management/bailiwick-investments.aspx and announcements in relation to the Company are also published on the website of the CISEA.

14. Risk Factors

This is a summary of some of the risk factors applicable to an investment in the Company. Please refer to Part IV (Risk Factors) of this document for a more detailed list of the risk factors involved.

There can be no guarantee that the investment objective of the Company will be met.

While investments in unquoted companies may offer the opportunity for capital gains, such investments also involve a high degree of business and financial risk. There can be no guarantee that the carrying value of the Company's investments would be realisable in the event of their sale.

The value of the Ordinary Shares can go down as well as up and investors may not get back the full value of their investment.

There can be no assurance that an active trading market in the Ordinary Shares will develop and be sustained and, if no such market is developed, the price and liquidity of the Ordinary Shares will be adversely affected.

Investment returns on property investments are dependent upon the financial strength of tenants and any guarantors throughout the period of the occupational leases.

There is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying NAV.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such an investment, or other investors who have been professionally advised with regard to investment, and who have sufficient resources to bear any loss which might result from such an investment (taking into account the fact that those losses may be equal to the whole amount invested).

PART I

INFORMATION ON THE COMPANY

1. Background of Jersey and Guernsey

The Channel Islands are a group of islands that sit in the bay of St. Malo off the coast of Normandy, France. The Islands consist of two Bailiwicks: the Bailiwick of Jersey and the Bailiwick of Guernsey which also includes a number of smaller islands; Alderney, Sark, Herm, Jethou, Brecqhou and Lihou.

The Bailiwicks are self-governing Crown Dependencies. They have their own legislative assemblies, administrative, fiscal and legal systems and their own courts of law that are independent both of the United Kingdom and of each other.

The Islands do not make up part of the United Kingdom and they have no representation in Parliament at Westminster nor are they member states of the European Union or part of the UK member state. However, some aspects of the European Treaty do apply and these are described in Protocol 3. The United Kingdom, however, is responsible for the Islands' international relations and for their defence.

The Islands are internally self-supporting and neither receives subsidies from, nor pays tax contributions to, the United Kingdom. The public revenues of the Islands are raised by income tax, duties on imported goods and by other taxes.

Guernsey and Jersey are the two main islands. Jersey is the largest, covering approximately 45 square miles; it lies 85 miles south of England and 14 miles from the west coast of France. It has an estimated population of 97,857 (2011).

The value of Jersey's economic activity GVA (Gross Value Added - the sum of wages and salaries and company profits) was £3.7 Billion in 2013. Jersey's success can be attributed to the international nature of its business. The Financial Services Sector (including banking, trust and company administration, fund management, accountancy and legal activities) now accounts for over half of Jersey's economic activity. Non-financial activity has remained relatively stable in nominal terms.

In June 2014, a total of 58,330 people were employed in Jersey; almost a quarter of them were employed in the financial and legal services sector. The private sector employs 49,980 of the total work force.

It is clear that Jersey's prosperity relies heavily on the finance industry and it is the Island's stable political and fiscal infrastructure that has enabled the industry to develop. The local Government's determination to encourage high quality business to the island and the support offered by the sophisticated and comprehensive infrastructure of laws and regulations combine to promote investor confidence and the sector's continued success.

Jersey has an enviable economic strength, with no public debt and a substantial strategic reserve, achieved through its stable infrastructure and prudent budgeting. Jersey's economic stability has allowed an independent and uncomplicated taxation system to benefit residents and overseas investors for over 60 years. There are no capital gains taxes, estate or inheritance duties.

Recently Jersey has introduced a goods and services tax as part of a strategy to revise its tax system and reduce its dependence on income tax. Jersey has committed itself to a series of business tax incentives in order to remain competitive.

The new fiscal strategy was designed to ensure continuance of a favourable business environment.

Jersey has been recognised by many international bodies, including the G7 Financial Stability Forum, as being one of the world's leading finance centres in the supervision and regulation of financial services.

Regulation and supervision of the finance industry is the remit of the Jersey Financial Services Commission (JFSC). The JFSC follows strict scrutiny guidelines when granting licenses to operate any type of financial business in Jersey.

Guernsey is the second largest island covering approximately 24 square miles and lies to the north west of Jersey some 30 miles west of the French coast and 75 miles south of England.

Guernsey's equivalent measure of economic prosperity is GDP (Gross Domestic Product which equals remuneration + business profits + income from land and rental property). The 2013 estimate is £2.2 billion and GDP per capita was £34,842. Like Jersey the finance and legal sectors accounted for a large proportion of its prosperity, in Guernsey's case approximately 40% of GDP. Similarly the finance and legal sector employed 21% of the labour market in 2013.

A total of 62,948 people were estimated to be living in Guernsey in 2014. Guernsey has the fourteenth highest population density in the world.

A spirit of enterprise, entrepreneurial skills and a flair for commerce has made Guernsey a centre of excellence for a number of industries over many hundreds of years.

Whilst Guernsey's Commerce and Employment Department is committed to encouraging further business development that will contribute to a diverse and sustainable economy and is exploring opportunities in the burgeoning areas of E-commerce, intellectual property and the fulfilment industry, finance is the mainstay of the economy.

In June 2006 the States of Guernsey agreed to a set of economic and taxation changes, the main strands of which came into effect on 1 January 2008 – that includes as standard a zero rate of corporation tax. In addition, Guernsey resident shareholders will be taxed on distributed company profits only. There has also been a commitment not to introduce wealth taxes like inheritance tax or capital gains tax. The agreement to this package highlights the government's continued commitment to an enterprise economy and to the finance industry.

Day-to-day responsibility for the regulation of the finance sector rests with the Guernsey Financial Services Commission (GFSC), which was established under the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, with general and statutory responsibilities. The GFSC was one of the world's first such unitary bodies, with the regulation of banking, insurance and investment activity being carried out under one roof. Regulated entities include banks, company administrators, directors, insurers, insurance intermediaries, investment firms and intermediaries and trust administrators.

The GFSC ensures that the providers of financial services in the Island carry out their business to established international standards. In addition to general powers of supervision, the GFSC has statutory powers to enforce compliance with the laws regulating the conduct of finance business in Guernsey. Institutions (and other entities carrying out prescribed businesses) must also comply with international anti-money laundering requirements - new customers must always be properly identified and institutions must take appropriate steps to reassure themselves of the origin of funds transferred to the island. In this regard local regulatory laws mirror the international standards expected by international organisations such as the Financial Action Task Force.

2. The Company

Bailiwick Investments Limited is a Guernsey authorised closed-ended investment company with an indefinite life. The Company's issued share capital comprises Ordinary Shares which are traded on the CISEA.

3. Investment Objective and Policy

The Company was established with, and continues to have, the objective of attaining long term capital growth by investment in a diversified portfolio of investments principally in businesses, property and assets situate, 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.

Subject thereto (and to the restrictions described in paragraph 4 below) there are no geographical or other limitations or restrictions to which investment by the Company is subject.

The Company invests in unquoted stocks and private companies. The Manager believes that current volatility in the stock market and the stricter controls being imposed on such applicants will reduce market appetite for smaller IPOs in the short term. To the extent that this causes companies to delay seeking a flotation, it increases the number of opportunities for the Company to offer substantial investment.

Companies in which the Company is expected to invest are also likely to have one or more of the following attributes:

(i) a requirement to increase the scale of its operations;

(ii) a need to replace a retiring owner-manager, or early stage, investors;

(iii) a need to change strategy and invest to make it an attractive sale or flotation prospect;

(iv) a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

Typically, the funds invested are expected to be used by investee companies to meet working capital requirements and to finance capital expenditure in order to facilitate the expansion of the businesses by acquisition or through organic growth. Businesses in which the Company has invested and is to invest in future should ideally, in the opinion of the Manager, be capable of achieving a realisation ultimately either through a sale or by listing of their shares on a stock exchange.

Pending investment, the Placing Proceeds will be held in cash or near cash investments.

4. Investment Restrictions

It is the Company's intention to maintain a diversified portfolio of investments principally in businesses, property and assets situate, registered, headquartered in or managed from the Channel Islands. As such it is intended that not less than 50 per cent. in value of the Company's NAV (or such lower or higher percentage as the Board may from time to time determine) should be invested in businesses or assets situate, registered or headquartered in the Bailiwicks

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Manager from time to time.

Current guidelines require that no more than 25 per cent of the Company's NAV may be committed to any single investment, or more than 25 per cent of the Company's NAV in investments considered by the Board to be "special situations" (such as in companies that are already listed) in each case at the time of investment (or commitment). Such limits may be increased up to 60 per cent if in a specific case the Board should consider it appropriate to do so.

The Board considered the acquisition of the Jacksons CI Group to be such a case and the Company's investment therein exceeds 25 per cent of the Company's NAV however this is expected to drop to below 25 per cent following Admission.

5. Investment Process

Decisions as to the purchase and sale of investments rest with the Board.

The Manager will make full access of its resources available to the Board in order that they may fulfil their duties and responsibilities to the Company and for the purpose of implementing investment decisions of the Board.

The Manager will actively search for investments which meet the criteria determined by the Board, from time to time. Once a potential investment opportunity is identified it will prepare a report for consideration by the Board.

Investment advice and recommendations for acquisitions and disposal will be provided by the Manager to the Board for approval.

The Manager has discretion to implement investment decisions without prior reference to the Board where the proposed investment transaction:-

(i) is in accordance with the investment policies, objectives and restrictions determined by the Company from time to time;

(ii) represents less than 5 per cent of the Company's NAV at the time of acquisition/disposal;

(iii) is not a Connected Party Transaction (as defined in the CISEA listing rules); and

(iv) complies with any other guidelines set down by the Board from time to time.

In all other cases, transactions may only proceed with the approval of the Board.

Transactions determined by the Manager under the delegated authority granted to the Manager during any quarter will be the subject of a detailed report to the Board by the Manager in its report to the Board for that quarter.

The Manager will actively search for investments which meet the required criteria determined by the Board from time to time. Once a potential investment opportunity has been identified, the Manager will prepare a report for consideration by the Board which will typically cover, inter alia, the following:

(i) the financial position of the proposed investment company and the level of funding required;

(ii) the quality of the management of the proposed investee company and any changes that the Manager considers necessary;

(iii) the outlook for the industry in which the proposed investee company operates, with industry expertise brought in as necessary to provide an analysis of the growth prospects and risk factors;

(iv) the market position of the potential investee company within the industry;

(v) the potential return on the investment; and

(vi) the intended period of time that the investment will be held, and/or key criteria that will lead to a recommendation to realise the investment.

Reports provided to the Board will highlight the proposed strategy for the potential investment with regard to growth prospects whether organically or by pursuing an acquisition strategy and/or buy-and-build and proposals for eventual realisation.

The Manager will recommend investment opportunities to the Board with a confirmation that the investment opportunity meets the general investment criteria set by the Board.

It is intended that investment transactions for acquisition or disposal should be considered and determined by the Board on the basis of advice and a full report and recommendation received from the Manager, save that responsibility for investment decisions within the investment criteria from time to time set by the Board may be delegated to the Manager as explained above.

It is not part of the objectives or policy of the Company ordinarily to transact in investments where a Connected Party as defined in the CISEA listing rules has or may have a material or conflicting interest to that of the Company.

Equally, it is not intended that the Company should be precluded from investment opportunities that arise purely because a Connected Party has or may have an interest in that transaction. Indeed by its nature and due to the involvement of the Manager it is expected that opportunities for the Company may arise specifically due to the connections of Connected Parties.

Accordingly, and anticipating such occurrences, for governance purposes, the Company has been structured with a fully independent Board from the Manager and both its investment decision process and that of the Manager have been formulated in order that any Connected Party issues that may arise are managed and addressed ethically and in accordance with proper standards befitting a public company.

The Company, as noted above, has been established with a Board, the members of which are wholly independent of the Manager.

The following conflicts or potential conflicts have been identified in the Company's structure at present:

- The Manager is also a market maker in respect of the Company's investment in CISE;
- The Manager is also the manager of the Channel Islands Property Fund Limited with whom the Company has previously transacted in accordance with the CISEA Listing Rules;
- Charles Parkinson undertakes occasional consulting work with the Manager; and
- The Manager provides both financial advice and the director services of its staff to certain of the Company's assets for which it may receive a consulting fee set at market rates.

Connected Party Transactions may only proceed with the prior approval of the Board.

The Company will also operate the above procedures in accordance with the Listing Rules of the CISEA from time to time such that:

(i) no Connected Party Transaction that represents 5 per cent or more of the NAV or net profits of the Company and its subsidiaries for the time being or 5 per cent or more of its share capital issued as consideration, may proceed other than with the consent of an ordinary resolution passed by the Shareholders, other than the Connected Party;

(ii) no Connected Party Transaction that represents less than 5 per cent but 1 per cent or more of the NAV, net profits or share capital (referred to in (i) above) may proceed other than with an independent valuation of the transaction, disclosure to the CISEA and the CISEA having been provided with an opinion from the Company's sponsor that the proposed transaction is fair and reasonable to the Shareholders and disclosure is made of the transaction in the Company's report and accounts;

(iii) (i) no Connected Party Transaction that represents 1 per cent or more of the NAV or net profits of the Company and its subsidiaries for the time being or 1 per cent or more of its share capital issued as consideration, may proceed other than with the unanimous approval of the Board; and

(iv) (i) to (iii) above may, in addition, be subject to such additional requirements or controls as the Board may consider desirable in the interests of Shareholders in the case of any specific transaction.

The Manager is precluded under the terms of the Management Agreement from managing a competing business to that of the Company but otherwise its duties to the Company are not exclusive and it is not precluded from performing similar services to other persons. Subject to compliance with its duties to the Company at all times under the Management Agreement the Manager is not precluded from having a personal interest or advising others in relation to similar transactions to those of the Company and is not obliged to account for any profits made on fees received thereon.

6. Dividend Policy

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment.

In addition the Directors intend to continue to operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

7. Borrowings

The Company may borrow funds and such borrowings may, if required, be secured on its investments. Borrowings may not exceed 50 per cent (or such other percentage as may be determined in accordance with investment guidelines determined for the Manager by the Board from time to time) of the Company's last announced NAV at the time of draw down of such borrowings without approval of the Board.

The Company may also be indirectly exposed to the effects of gearing to the extent that any investee company has borrowings.

The Company's current borrowings are less than 10 per cent of the value of the Company's NAV though this does not include borrowing taken on by the Company's underlying investments.

The Company may, from time to time, for the purposes of efficient portfolio management, for strategic purposes in connection with proposed acquisitions and disposals or for hedging purposes, enter into contracts for differences, options and other derivative investment products. Commitments to such investments will not be made beyond the extent of the Company's assets available to meet the same. Investment in such instruments is not intended to be made for gearing purposes or otherwise as an active policy or means to directly achieve the Company's investment objectives but rather as a means to facilitate the making of investments in stocks fitting with the Company's investment policy and objectives.

8. Share capital structure

The Company's share capital is an unlimited number of Ordinary Shares of no par value. There are no other classes of share in the Company and there are no warrants or options existing over any new shares in the Company.

9. Further Issues

Further issues of share capital may occur to provide funds for investment by the Company as and when market conditions are suitable or opportunities for further investment arise..

No issue of ordinary share capital of an amount above 10 per cent of the Company's issued ordinary share capital for the time being will be made other than on a pre-emptive basis to existing Shareholders without the prior consent of a special resolution of Shareholders.

No issue of ordinary share capital may occur at a price below the NAV attributable to the ordinary shares in the Company for the time being other than on a pre-emptive basis save with the prior consent of Shareholders by special resolution.

The Articles do make provision for a separate class of shares ("C Shares") to be issued in specific circumstances determined by the Board if considered appropriate on a non-pre-emptive basis in order to allow for specific fund raising or investment opportunities. Any subsequent conversion of C Shares into Ordinary Shares that may occur would take place at a price related to the net asset values of the respective share classes in order to prevent the issue of further shares diluting existing Shareholders' share of the NAV of the Company.

It is not intended to issue C Shares in the foreseeable future.

10. Taxation

General information relating to Guernsey taxation with regard to Admission and Placing is summarised in paragraph 9 of Part III of this document.

Any person who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than Guernsey, should consult his or her professional advisors.

PART II

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. Board of Directors

Directors

The Board comprises three Directors all of whom are non-executive.

Name	**Position**
David Lowe	Non-Executive Chairman
John Henwood	Non-Executive Director
Charles Parkinson	Non-Executive Director

Brief biographies of the Directors are set out below:

David Lowe OBE, Non-executive Chairman

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, Non-executive Director

John 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, Non-executive Director

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 directorships in several companies, one of which is listed on AIM, in addition to his directorship of the Company and its subsidiaries.

The business address of each of the Directors is PO Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS.

2. Information on Directors and Directors' interests

The interests of each Director (all of which are beneficial) in Shares, as at the date hereof are as follows:

Name	Number of Shares	% of Share Capital

David Lowe	650,000	1.97%
John Henwood	225,000	0.68%

It is proposed that as part of the Placing, David Lowe will take up 350,000 Placing Shares.Save as set out above, none of the Directors has any interests, beneficial or otherwise, in the share capital of the Company nor does (so far as is known to, or could with reasonable diligence be ascertained by, the Directors) any person connected with the Directors have any interests in such share capital, in each case whether or not held through another party.

In addition to any directorship of the Company, the Directors hold or have held the following directorships or have been partners in the following firms within the five years prior to the date of this document:

Director	**Current directorships and/or Partnerships**	**Past directorships and/or partnerships**
David Lowe	Bailiwick Investment Holdings Limited; Bailiwick Property Holdings Limited; Burford Capital Limited; BC Capital Limited; BC Investments Limited; Column Holdings Limited; Farmers Re Limited; Hermital Investments Limited; Islands Insurance (Holdings) Limited; Papilio Limited; Wheadon Holdings Limited.	Commerce Holdings Limited; Commercial Company of the Channel Islands Limited;
John Henwood	Beyerley Limited; G4S Secure Solutions (Jersey) Limited; LFH International Limited; Visit Jersey Limited.	Com Prop Limited; Channel TV Group; ITV Network Limited & related subsidiary companies; Jersey Telecom Group Limited; Jersey Finance Limited; Kleinwort Benson CI Holdings Limited; Kleinwort Benson Private Bank Limited; Flying Brands Limited; On-Line Training Solutions Limited; Videopostcard Limited; Bourne Educational Software Limited; Bourne Training Systems Limited.
Charles Parkinson	Aqua Resources Fund Limited Burford Capital Limited Dexion Equity Alternative Limited Legis Groups Holdings Limited Mapeley Limited	

Save as set out in paragraph 9.4.2 above, none of the Directors has any business interests or activities outside the Company which are significant with respect to the Company.

Save as disclosed below or elsewhere in the Supplemental Document, none of the Directors:

- has any unspent convictions in relation to indictable offences;
- has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his/her assets;
- has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of the company or had an administrator or an administrative or other receiver appointed;
- has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;
- has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or
- has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

There are no loans or guarantees granted or provided by the Company to, or for the benefit of, any of the Directors which are now outstanding.

David Lowe is the registered holder of 0.95 per cent. of the issued share capital of the Manager.

Save as set out in this Document, there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Company.

3. Remuneration of the directors

The aggregate remuneration paid to, and benefits in kind received by, the Directors of the Company in respect of the previous financial period ending on 31 October 2014 was £75,000. The estimated aggregate remuneration payable to, and benefits in kind receivable by, the Directors or any proposed directors of the Company in respect of the current financial period due to end on 31 December 2015 under the arrangements in force at the date of this document is £90,000 per annum.

There are no arrangements under which a Director has waived or agreed to waive future emoluments during the financial year immediately preceding this document.

4. Investment Management Arrangements

On 10 December 2014 the Company's shareholders passed a special resolution approving the appointment of the Manager as investment manager in place of Ravenscroft Investment Management Limited and the Company entered into the Investment Management Agreement with the Manager on the same date. The Investment Management Agreement governs the services to be provided to the Company by the Manager. Under the Investment Management Agreement, the Manager will be responsible for sourcing, evaluating, negotiating, completing, monitoring and managing investments on behalf of the Company.

The Manager was incorporated on 5th March 2005. The Manager is licensed under the POI Law to conduct investment business.

Further details of the Investment Management Agreement are contained in paragraph 9 of Part V of this document.

Subject to the share dealing and conflicts management arrangements described in paragraph 6 of this Part II:

(i) the services of the Manager under the Investment Management Agreement are not exclusive and the Manager is free to render similar services to others; and

(ii) the Manager and any interested party therein is free to enter into other fund management arrangements or be interested in any entity entering into fund management arrangements.

The Manager is, however, expressly restricted under the Investment Management Agreement from engaging in a competing business with that of the Company.

Ravenscroft Limited is an independent stockbroking and investment management firm based in both Guernsey and Jersey (Ravenscroft is the registered business name of Ravenscroft Jersey Limited, a wholly owned subsidiary of Ravenscroft Limited) and is licenced and regulated by both the GFSC and the JFSC and is a member of both the London Stock Exchange and the CISEA.

5. Management and Performance Fee

The Manager will be paid an annual management fee, payable quarterly in advance, of 1 per cent of the Adjusted Closing NAV (excluding cash) and 0.10 per cent of cash or near cash investments.

The Manager may also become entitled to a performance fee in certain circumstances. The performance fee is calculated by taking an amount equal to 10 per cent of the amount by which, at the end of any accounting period, the Adjusted Closing 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 total number of Ordinary Shares in issue for the relevant performance period. If new shares are issued in any performance period, any performance fee for such period will be calculated on a time apportioned basis based on the NAV of the Ordinary Shares in issue and the issue price of each new share issued in such period.

Each accounting period is a period of one financial year. The performance fee in respect of each relevant accounting period shall become payable immediately following publication of the audited accounts for the Relevant Accounting Period. Payment of such performance fee shall be made as follows:

- 80 per cent. of such Performance Fee shall be payable in cash to the Manager; and
- the remaining 20 per cent. will be paid in cash into a clawback deposit account

provided always that payments made in respect of a performance fee shall, during the lifetime of the Company only be payable out of the proceeds of a disposal or realisation of an asset. To the extent that there are insufficient such monies available to make any such payment the excess shall remain due and payable for a period of 36 months.

If, in respect of a relevant accounting period, the Adjusted Closing NAV is less than the opening NAV per Ordinary Share or the High Water Mark, immediately following the publication of the audited accounts for that relevant accounting period an amount equal to 10% of the difference between the Adjusted Closing NAV and the higher of the Opening NAV per Ordinary Share for the relevant accounting period and the High Water Mark shall be transferred back to the Company from the clawback deposit account (to the extent that there is money available to do so in the clawback deposit account). Following any such payment the High Water Mark shall be decreased by ten times the amount transferred until a new Performance Fee is earned and a new High Water Mark established.

Monies paid into the clawback deposit account may only be released to the Manager upon the delivery of audited accounts for a period ending 36 months or more after the end of the Accounting Period in respect of which they were paid into the clawback deposit account.

Further details of the performance fee and the Investment Management Agreement are set out in paragraph 9 of Part V.

6. Corporate governance and internal controls

The directors of the Company will adhere to the requirements of the GFSC Code of Corporate Governance as applicable to the Company together with the general fiduciary duties and duties of care, diligence and skill imposed on directors under Guernsey law. The Directors recognise the importance of good corporate governance and will comply with the GFSC Code of Corporate Governance to the extent practicable and commensurate with the size and operations of the Company. The Company has adopted the Model Code on dealings of directors and employees in securities as set out in Annex I of the Listing Rules of the UKLA.

In relation to the use of the Company's voting rights in respect of investee companies, the Manager, in the absence of explicit instructions from the Board, will be empowered to exercise discretion in the use of the Company's voting rights. The underlying aim of exercising such voting rights will be to protect and maximise the return from an investment.

The Board considered it necessary and appropriate to establish an Audit Committee. The Audit Committee is responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Board has also adopted procedures for managing conflicts and material interests of Connected Parties as described in paragraph 5 of Part I below.

All the Board are non-executives. The Board does not therefore consider it necessary to appoint a remuneration committee.

All members of the Board are members of the Audit Committee. The Chairman of the Audit Committee is Charles Parkinson.

7. Administration Arrangements

Saffery Champness Fund Services Limited was incorporated as a limited liability company in Guernsey on 19 February 2007 and is wholly owned by Saffery Champness Holdings Limited, a company incorporated in Guernsey. The Administrator is licensed by the Guernsey Financial Services Commission to carry on all aspects of controlled investment business in respect of collective investment schemes and general securities and derivatives.

The Administrator has been appointed to provide day to day administration, registrar, custodial and secretarial services to the Company as set out in the Administration Agreement. The Administration Agreement is terminable by either party on not less than three months' notice in writing and in certain other circumstances, including material breach of the terms of the agreement by either party.

Further details of the Administration Agreement are set out in paragraph 9 of Part V of this document.

8. Share Dealing/Conflicts Management

The Manager and any interested party therein (an "Interested Party") may, subject to the restrictions contained in the Investment Management Agreement (summarised in paragraph 4 above), be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Company, including with regard to the allocation of investment opportunities to different clients. Connected Party Transactions will be addressed in accordance with the procedure described in paragraph 5 of Part I above. Whenever such conflicts arise, the Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated fairly. Each such conflict will be fully disclosed to the Company by the Manager.

Subject to the constraints set out in paragraph 5 of Part I above, any interested party and any company within the same group as any interested party and/or any investment company or account advised or managed by an interested party, may:

(i) acquire securities from or dispose of securities to the Company;

(ii) hold shares and deal with the same as it thinks fit;

(iii) buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held or made by the Company;

(iv) contract or enter into any financial or other transactions with any Shareholder or with any entity any of whose securities are held by or for the account of the Company or be interested in any such contract or transaction; and

(v) receive fees and commissions which it may negotiate in relation to any sale or purchase of any investments quoted by it for the account of the Company.

The Manager may provide services of a like nature to any other person, firm or corporation and the Manager shall not be liable to account to the Company for any profit earned from any such services.

The Directors will comply with the Model Code of the UK Listing Authority (or a code no less exacting) in respect of dealings by directors and will take all reasonable and proper steps to ensure compliance as required by the CISEA Rules.

9. The Manager

The Manager was incorporated on 4 September 2008 as a wholly owned subsidiary of Ravenscroft Limited. The Manager is licensed under the POI Law to conduct investment business.

The current directors of the Manager are:-

Jon Ravenscroft – Group Chief Executive Officer

Jon founded Ravenscroft Limited (formerly Cenkos Channel Islands Limited) in 2005. He has more than 30 years' experience in stockbroking, starting his career at Sheppards & Chase in 1983 in Guernsey and then the Isle of Man before returning to establish Canaccord Genuity Wealth (International) Limited (formerly Collins Stewart (CI) Limited). Jon was educated at Elizabeth College, Guernsey and Millfield School, England; he is a Fellow of the Chartered Institute for Securities & Investment.

Simon Melling – Head of Corporate Finance

Simon was appointed Chief Finance Officer & Head of Corporate Finance at Ravenscroft in December 2014 having previously served as Chief Operating Officer and originally as a Non-executive director of the company. Until December 2011 He held the role of Chief Executive Officer of Cenkos Securities plc. having previously been its Group Finance Director and Chief Operating Officer, a position to which he was appointed in September 2006. He has over 25 years' experience in the banking and securities industry and is a Chartered Accountant, having qualified with Peat Marwick Mitchell in 1988. He subsequently joined the Singer & Friedlander

Group, ultimately becoming Director of Group Financial Services. In 2001 Simon joined Collins Stewart and was appointed Chief Operating Officer of the Private Client Division in 2001.

Andrew Stewart – Non-Executive Chairman

Andrew is the founder shareholder of Cenkos Securities plc (former parent company to Ravenscroft Limited). and is now Chairman of Ravenscroft Limited. He has over 40 years' experience in the UK securities industry. In 1991 he co-founded Collins Stewart, subsequently listing it on the London Stock Exchange with a market capitalisation on listing of approximately £326 million. Andrew started his career as a stockbroker in 1969 with Simon & Coates, where he became a senior partner. After Simon & Coates was acquired by Chase Manhattan Bank, he became chief executive of Chase Manhattan Securities until the launch of Collins Stewart.

Susie Farnon (Senior Non-Executive Director)

Susie qualified as a Chartered Accountant with KPMG in 1983 and was a banking and finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999. After leaving there in 2001, she has been a member of the States of Guernsey Audit Commission and the States of Guernsey Public Accounts Committee. Susie is currently Vice-Chairman of the Guernsey Financial Services Commission. Susie is also a director of local property companies and is a non-executive director of listed property and investment funds. Susie is Chairman of the Ravenscroft Audit Committee and is also the Senior Independent Director of Ravenscroft.

Dominic Jones – Non-Executive Director

Dominic Jones has a degree in law from the University of Bristol and was admitted to the English Bar in 1987 and the Paris Bar in 1992. He started his career in 1988 with Slaughter and May, and after a period in investment banking with Morgan Stanley joined Mourant, where he was a partner of Mourant Equity Compensation Solutions. He also held senior group board positions at leading European private equity fund administrators including IPES. In 2010, he joined his family business, Jersey Pottery, as an executive director. Dominic has been a Non-Executive Director of Ravenscroft Jersey Limited since 2008 and was appointed to the Board of Ravenscroft Limited on the 18th March 2014. He also has several voluntary positions including council member of the National Trust of Jersey and governor of Rouge Bouillon School.

Stephen Lansdown – Non-executive director

Stephen Lansdown is co-founder and former Chairman of Hargreaves Lansdown PLC, the UK's biggest independent private client brokerage and a member of the FTSE 100. He resigned as an executive director in August 2010 to pursue his many other business interests. A Fellow of the Institute of Chartered Accountants in England and Wales as well as being a Fellow of the Chartered Institute for Securities and Investment, he was presented with Honorary Degrees from Bristol University (Doctor of Laws) and the University of the West of England (Doctor of Business Administration) in 2012. The majority shareholder of Bristol City Football Club and Bristol Rugby Club, his vision to put Bristol on the sporting map has started to become reality with the formation of Bristol Sport, a vehicle which will promote sport in Bristol and its place in the community. He moved to Guernsey in March 2010 and has become a firm supporter of local business, culture and sports. Other Directorships held include Sustainable Technology Investments (Guernsey) Limited, Earth Capital Partners (Guernsey) Limited and Pula Limited.

Charlie Roger – Chief Executive Officer, Channel Islands

Charlie joined Ravenscroft in June 2014 and was appointed Chief Executive Officer, Channel Islands in December the same year. Charlie previously spent more than 20 years at Canaccord Genuity Wealth (International) Limited (formerly Collins Stewart (CI) Limited). Roles included fixed interest sales & trading, heading the Guernsey stockbroking team, membership of the wider Wealth Management Executive Committee, Executive Director of the CGWI Board and Head of Wealth Management, Guernsey. Charlie was educated at Elizabeth College, has an Honours degree in Economics & Politics, is a Chartered Fellow of the CISI and holds the IOD Certificate & Diploma in Company Direction.

Brian O'Mahoney – Group Finance Director & Chief Operating Officer

Brian joined Ravenscroft as Group Finance Director & Chief Operating Officer in July 2015 having previously worked at Legis Group where he performed a similar role. He was instrumental in steering the business through its initial management buyout and its subsequent industry sales. Prior to working at Legis, Brian worked at Kleinwort Benson for 13 years, ultimately becoming the Chief Financial Officer for the Channel Islands, a role he held for a number of years. With over 20 years' experience within the financial services sector Brian is a director of a number of companies including property, trading and financial entities. Brian is a Fellow of the Institute of Chartered Accountants in Ireland and holds a finance based MBA from Manchester Business School.

10. Auditors

The Company has appointed Grant Thornton Limited as its auditor. Grant Thornton Limited is one of the Channel Islands' leading accounting, tax and business advisory firms offering a full range of audit, assurance, tax, corporate recovery and advisory services. As a member firm within Grant Thornton International it has access to member and correspondent firms in over 100 countries, offering specialist local knowledge supported by international expertise and methodologies. Grant Thornton Limited is a member firm of the Institute of Chartered Accountants of England and Wales.

11. Listing Sponsor

With effect from 15 September 2014. Carey Commercial Limited replaced Bordeaux Services (Guernsey) Limited as the Company's CISEA Listing Sponsor.

PART III

SUMMARY OF THE PLACING

1. Details of the Placing

The Placing Shares are being conditionally placed at the Placing Price with investors, subject, inter alia, to Admission and the Placing Agreement becoming unconditional.

The Placing is conditional, inter alia, on (i) Admission having become effective on or before 8.30a.m. on 18 December 2015 or such later time and/or date as the Company and the Manager may agree (being not later than 8.30am on 31 March 2016 and (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission. The Placing has not been underwritten.

The minimum subscription amount for Placing Shares is £1,000.

The Placing is intended to raise a minimum of £11,150,000 before expenses. The expenses of the Placing comprise a placing fee of 2 per cent of the Net Proceeds (payable to the Manager) and legal expenses in the amount of not more than £30,000.

The placing commission (which is also payable by the Directors and Connected Parties) payable to the Manager under the Placing Agreement is to be settled in cash not shares.

The Net Proceeds will be used to effect an investment in the Sandpiper Group and to make such other investments as the Manager may recommend in line with the Company's investment policy and objectives as set out in this document. It is expected that Admission will become effective and that dealings in the Ordinary Shares on the CISEA will commence on 18 December 2015. All such Ordinary Shares will be in registered form and may be delivered certificated or uncertificated. Temporary documents of title will not be issued pending the despatch by post of definitive certificates, which is expected to take place by 23 December 2015.

Pending the despatch of such certificates, transfers will be certified against the register of members of the Company.

2. Admission

Application has been made to the CISEA for the issued Ordinary Shares to be admitted to trading on the Official List of the CISEA. Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on the CISEA at 8am on 18 December 2015. The Ordinary Shares are in registered form and will be capable of being held in certificated form.

3. Settlement and dealings

It is expected that definitive share certificates will be despatched to placees, at the risk of the person entitled thereto, by 23 December 2015.

4. The Target Asset

A proportion of the Net Proceeds of the Placing will be used to effect an investment in the Sandpiper Group ("the Target"). A sale purchase agreement has been signed between the Company, the other investors and a seller grouping including investor entities of Europa Capital and Duke Street.

The Company will invest a proportion of the Net Proceeds in the Sandpiper Group and will rank parri passu with other investors therein with a shareholding the scale of which will be pro rata to the scale of the Net Proceeds.

5. Working capital

The Directors are of the opinion that, after taking into account the proceeds of the Placing and the financial facilities available and completion of the Acquisition, the Company has sufficient working capital for its present requirements, that is, for at least the period of twelve (12) months from the date of this document.

6. Share interests

As at 30 September 2015 (the latest practicable date prior to the publication of this Supplemental Document) the following parties are directly or indirectly interested in ten (10) per cent. or more of the nominal value of the Issued share capital of the Company.

Name	Number of Shares	% of share capital
Huntress (CI) Nominees Limited a/c KGCLT	30,100,649	91.31%

Huntress (CI) Nominees Limited a/c KGCLT is a nominee account through which investments are held on behalf of the Manager's discretionary portfolio clients and none of these clients hold more than ten per cent of the Company's currently issued share capital.

7. Manager's interests

The interests of each director of the Manager (all of which are beneficial) in Shares, as at the date hereof are as follows:

Name	Number of Shares	% of Share Capital
Andrew Stewart	250,000	0.75%
Susie Farnon	230,000	0.69%
Dominic Jones	20,000	0.06%
Jon Ravenscroft	750,000	2.21%
Simon Melling	100,000	0.3%
Charlie Roger	0	0%
Brian O'Mahoney	45,000	0.13%
Stephen Lansdown	0	0%

It is proposed that as part of the Placing, Andrew Stewart will take up 250,000 Placing Shares and Simon Melling will take up 200,000 Placing Shares and Jon Ravenscroft will take up 500,000 Placing Shares. Save as set out above, none of the directors of the Manager has any interests, beneficial or otherwise, in the share capital of the Company nor does (so far as is known to, or could with reasonable diligence be ascertained by, the Manager) any person connected with its directors have any interests in such share capital, in each case whether or not held through another party.

8. The Placing Agreement

On 4 December 2015, the Company and the Manager entered into the Placing Agreement pursuant to which the Manager has agreed, conditionally upon, inter alia, Admission to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement, the Manager will receive a commission of two (2) per cent of the aggregate value at the Placing Price of the Placing Shares issued to Placees procured by them respectively, to be paid by the Company. The Company has agreed to pay all other costs, charges and expenses of, or incidental to, the Placing and the application for Admission and related arrangements. The Manager is to receive the whole of its commission in cash payable from the proceeds of the Placing.

The Placing Agreement, which contains certain warranties, undertakings and indemnities by the Company in favour of the Manager (and by the Manager in favour of the Company) is conditional, inter alia, on (i) Admission occurring not later than 18 December 2015 (or such date as the Company and the Manager may agree not being later than 31 March 2016) and (ii) none of the warranties given to the Manager prior to Admission being untrue, inaccurate or misleading in any material respect.

The Manager may terminate the Placing Agreement in specified circumstances, including for breach of warranty, at any time prior to Admission and in the event of force majeure at any time prior to Admission.

9. Taxation

The information below, which is of a general nature only and which relates only to the United Kingdom, Guernsey and Jersey taxation, is applicable to the Company and its subsidiaries and to persons who are resident in the United Kingdom, Guernsey and Jersey who hold Shares as an investment. It is based on existing law and practice as at the date of this document and is subject to subsequent changes therein. Any change in the tax status of the Company or its subsidiaries or in taxation legislation in the United Kingdom, Guernsey or Jersey or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or its subsidiaries or affect the Company's ability to achieve its investment objective for the Share or alter the post-tax returns to Shareholders. You are strongly recommended to consult your own professional adviser in relation to any investment in the Company.

The Company

United Kingdom taxation

It is the intention of the Directors that the affairs of the Company will be conducted so that the Company will not itself (as opposed, potentially, to certain of its subsidiaries) be subject to tax in the United Kingdom. It is the intention that the central management and control of the Company will only be in Guernsey and the Company will not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there). On that basis, the Company will not be resident in the United Kingdom for taxation purposes and the Company should not be liable to United Kingdom tax on its income and gains, although any of its subsidiaries resident in the United Kingdom or with United Kingdom property may well be subject to United Kingdom taxation on their income and gains.

Guernsey taxation

The Company has been granted and expects to maintain exempt status for Guernsey tax purposes. In return for the payment of a fee, currently £1,200, a registered closed-ended investment scheme, such as the Company, is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently zero per cent.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Shares.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey has completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain "deemed distribution" provisions which are not relevant to tax exempt companies. In addition, although the standard rate for corporate income tax remains at zero per cent with effect from 1 January 2013, the company intermediate income tax rate of ten per cent has been extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business), a licensed insurance intermediary and a licensed insurance manager and fund administration business from 1/1/2015. The changes, however, are not expected to impact the company.

Shareholders

Shareholders, other than those shareholders resident in Guernsey for tax purposes, will receive dividends without deduction of Guernsey income tax. Any individuals who are the beneficial owners of shares who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be liable to Guernsey income tax on any dividends paid on Shares beneficially owned by them. However, no deduction of tax will be made by the Company where the Company has exempt status. If the Company does not have exempt status then it is still likely no Guernsey tax will be deducted from dividends paid to the Guernsey resident Guernsey beneficial owners, on the basis that the taxable income of the company has been subject to tax of at least 20%.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that, where income is not distributed but is accumulated and the shareholder has no option to take a cash alternative, then a tax charge will not arise until the holding is disposed of. On disposal, the element of the proceeds relating to the accumulated income and any associated Guernsey and non-Guernsey income tax will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

Information Reporting in Guernsey

EU Savings Tax Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) ("the EU Savings Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC

Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company being required to comply with the EU Savings Directive in the future.

FATCA and related Intergovernmental Agreements

The Hiring Incentives to Restore Employment Act passed in the United States of America ("US") in March 2010 resulted in new provisions to the Internal Revenue Code: the Foreign Account Tax Compliance Act ("FATCA"). These provisions were in response to concerns that US tax payers were evading their income tax obligations through foreign entities and foreign financial institutions. In response to this legislation, Guernsey has entered into an Inter-Governmental Agreement ("IGA") with the US Government on the implementation of FATCA. A further IGA between Guernsey and the United Kingdom has also been completed with respect to UK tax payers.

The exact details of subsidiary regulations and guidance on these regulations are still being finalised but the Company understands the current position, in summary, to be as follows.

The IGAs and the regulations define Guernsey financial institutions, which includes the Company, as Foreign Financial Institutions ("FFIs"). As an FFI, the Company will be required to make an annual return to the Guernsey tax authorities to the extent that it has any shareholders who are either US citizens/US tax resident or UK tax resident. If there is doubt on the status of shareholders then, in the absence of suitable evidence, they will be included on the return.

The deadline for the first such return was 30 June 2015 in respect of reportable accounts as at 30 June 2014 where shareholders are US citizens/US tax resident. A further report in respect of shareholders who are UK tax resident will be required in June 2016 in respect of reportable accounts as at 30 June 2014 and 2015.

If, however, a shareholder is itself a reporting FFI then the obligation to make returns falls on that FFI, provided the Company is able to confirm its status.

There are significant penalties for non-compliance, which may include withholding tax on any US source payment. Whilst FATCA withholding will primarily apply to payments with a US source, it is possible that other legislation may have a broader scope and may apply to certain other, non-US source payments. The Company regularly monitors the impact of FATCA on its operations and intends to manage its affairs to ensure that it is FATCA compliant.

Further information is available on request from the Administrator.

Jersey Shareholders

Dividends on Shares and redemption proceeds may be paid by the Company without withholding or deduction for or on account of Jersey income tax and holders of Shares will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Shares. Shareholders who are resident in Jersey for income tax purposes may be liable to pay Jersey income tax on distributions received from the Company.

The attention of investors who are resident in Jersey for taxation purposes is drawn to Article 134A of the Income Tax (Jersey) Law 1961, the effect of which is that if the Jersey Comptroller of Taxes is of the opinion that the main purpose, or one of the main purposes, of a transaction, or a combination or series of transactions, is the avoidance, or reduction, of the liability of any person to income tax, the Comptroller may make such assessment or additional assessment on that person as the Comptroller considers appropriate to counteract such avoidance or reduction of liability.

Litigation and arbitration

The Company is not, or has not been, involved in any legal or arbitration proceedings which may have, or have had during the twelve (12) months preceding the date of this document, a significant effect on the Company's financial position or profitability, nor are there any such proceedings pending or threatened against any member of the Company of which the Company is aware.

Valuation policy and reporting

The net asset value per Share, expressed in sterling, will be determined by the Administrator in accordance with the investment valuation policy and the accounting policies of the Company from time to time and in accordance with the provisions set out in the Articles and valuations will be provided to the CISEA as soon as practicable after calculation. Any suspension in the calculation of the Net Asset Value may result in suspension of the Shares from the Daily Official List of the Exchange.

General

The total costs and expenses including commissions relating to Admission and the Placing are approximately £476,000 (assuming the maximum number of Placing Shares are issued) and are payable by the Company. The estimated net cash proceeds accruing to the Company from the Placing of the Placing Shares is £21,824,000 (assuming that the maximum number of Placing Shares are issued by the Company as part of the Placing).

Saffery Champness Fund Services Limited has, on the date hereof, given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included. Saffery Champness Fund Services Limited has no Shares or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, Shares.

Ravenscroft Limited has, on the date hereof, given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included. Ravenscroft Limited has no Shares or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, Shares.

CBRE has, on the date hereof, given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included and, further, to the inclusion of the Valuation Report in this document. CBRE has no Shares or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, Shares.

On 16 December 2014, the Company issued an additional 6,363,650 ordinary shares bringing the total number of shares in issue to 32,963,650. Other than this there have been no alterations in the capital of the Company within the twenty-four (24) months preceding the date of this document.

There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

The Placing Price is payable in full in cash on Admission.

Other than the current application for Admission, the Shares have not been admitted to dealings on any recognised investment exchange (other than the CISEA) nor has any application for such admission been made, or refused, nor are there intended to be any other arrangements for dealings in the Shares.

Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's activities.

The Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the Company's business. Save as disclosed in the Placing arrangements, there has been no significant change in the trading or financial position of the Company since the date of issue of the Listing Document.

The Company has not appointed a custodian for the safekeeping of its assets but rather such role is undertaken by the Company in concert with Saffery Champness Fund Services Limited in its capacity as administrator to the Company.

The report and consolidated financial statements for the year ended 31 October 2014 and the interim report and unaudited consolidated financial statements of the Company as at 30 April 2015 are set out in Appendices 1 and 2 to this document respectively.

Save as disclosed in this Document no person (excluding the Company's professional advisers to the extent disclosed elsewhere in this Document, the Company's legal advisers and trade suppliers) in the twelve (12) months preceding the application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on, or after, Admission any of the following:

- fees totalling ten thousand pounds (£10,000) or more;
- securities in the Company with a value of ten thousand pounds (£10,000) or more calculated by reference to the Placing Price; or
- any other benefit with a value of ten thousand pounds (£10,000) or more at the date of Admission.

The Placing Price is payable in full in cash on acceptance. Monies received from applicants pursuant to the Placing will be held in a client account maintained by the Administrator until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 31 March 2016, application monies will be returned to applicants at their own risk without interest.

The Company has not had any employees since its incorporation and, as at the date of this Document, has no subsidiaries other than the subsidiaries listed in the summary of the Company's Portfolio contained in part V of this Document.

The Manager is the promoter of the Company. Save as disclosed above, no amounts of cash, securities or other benefits have been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid or given.

Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company and the Manager is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Statutory records and documents on display

Copies of the following documents will be available for inspection at the offices of Saffery Champness Fund Services Limited at P.O. Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS during normal business hours on any week day (except Saturdays, Sundays and public holidays in Guernsey) until 31 March 2016.

- the memorandum and articles of incorporation of the Company;
- this document;

- the material contracts referred to above;
- the written consents referred to above;
- the interim financial statements of the Company;
- the latest audited financial statements of the Company;
- the Investment Management Agreement dated 10 December 2014.

The Company's statutory records are maintained at the same address.

PART IV

RISK FACTORS

In addition to all other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If you are in any doubt about the action you should take, you should consult a suitably qualified and licensed or authorised professional adviser who specialises in advising on the acquisition of shares and other securities. This summary of risk factors is not intended to be exhaustive. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

In view of the risks noted below, the Company should be considered a speculative investment and investors should invest in the Company only if they can sustain a complete loss of their investment. No guarantee or representation is made that the Company will achieve its investment objective or that it will be able to implement its investment policy.

The Directors consider the following risks to be the most significant risks for potential investors in the Company although the risks set out below are not exhaustive and do not purport to comprise all those involved in investing in the Company. The risk factors are not set out in any particular order of priority. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

General

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested) and this document is not intended for distribution to investors other than those described above. Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio.

Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Investment in the Company should be regarded as long-term in nature.

Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the factors described in this risk factors section. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect the Company's view with respect to future events as at the date of this document and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy.

Save as required by law, the Company has no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Property and property related assets

The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date.

The performance of the Company would be adversely affected by a downturn in the property market in terms of market value. In the event of default by a tenant or during any other void period, the Company may suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs, re-letting, refurbishment or upgrading costs, maintenance costs, insurances, rates and marketing costs.

Any future property market recession could materially adversely affect the market value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in its market value.

Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact on the demand for premises.

Both rental income and market values may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs, In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Any change to the laws and regulations relating to the Guernsey or Jersey commercial property market may have an adverse effect on the market value of properties contained in the Company's investment portfolio and/or the rental income of such properties.

The Company may undertake development (including redevelopment) of property or invest in property that requires refurbishment prior to renting the property. The risks of development or refurbishment include, but are not limited to, delays in timely completion of the project, cost overruns, poor quality workmanship, and inability to rent or inability to rent at a rental level sufficient to generate profits.

Investments

The success of the Company will be dependent upon, inter alia, the identification, making, management and realisation of suitable investments. There can be no guarantee that such investments can or will be made, either within the expected timeframe, or at all, or that such investments will be successful. Poor performance by any investment could severely affect the NAV per Ordinary Share and/or the market price of the Ordinary Shares. In particular, investors should note that:

(i) Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Company and, accordingly, will be dependent upon the judgement and ability of the Board, with the advice of the Manager, in investing and managing the assets of the Company. No assurance can be given that the Company will be successful in obtaining suitable investments, or that if such investments are made, the investment objective of the Company will be achieved. In particular, there can be no guarantee that the potential targets identified will be able to be acquired or that any approach to them will be welcome;

(ii) the Company's investment portfolio will comprise interests in unquoted private companies, as well as limited exposure to companies which may be difficult to value and/or realise. Investment in the securities of smaller companies may involve greater risks than is customarily associated with investments in larger, more established companies. In particular, such companies may often have limited product offerings, markets or financial resources and may be dependent on a small number of key individuals;

(iii) the Company is likely in most cases to have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies, partnerships and ventures or control over an exit, or the timing of an exit;

(iv) the management of the investee companies targeted by the Company may not always welcome proactive shareholder involvement and may be resistant to change;

(v) the Company may be unable to effect an investment in an identified opportunity and, in particular, resources of the Company and the Manager may be expended investigating potential projects which are subsequently rejected as being unsuitable;

(vi) the Company and the Company's investee companies may face competition from other entities, many of which may have significantly greater resources than the Company or the Company's investee companies;

(vii) a proportion of the Company's portfolio may be held in cash or near cash from time to time. Such proportion of the Company's assets will therefore be "out of the market" and will not benefit from increases in the value of the Company's investments. Having excess uninvested cash and a large number of Ordinary Shares in issue may restrict the Company's capital and income growth;

(viii) the Company may dispose of investments in certain circumstances and may be required to give indemnities, representations and warranties in connection with those disposals and to pay under such indemnities or to pay damages to the extent that such representations or warranties turn out to be inaccurate; and

(ix) an investee company's competitors may develop or market technologies that are more effective or less expensive than those developed or marketed by the investee company, or that would render the investee company's technology or business model obsolete or uncompetitive.

Dividends

The ability to pay dividends and any dividend growth in the Ordinary Shares will rely on the Company's ability to generate profits from its investment portfolio and, in particular, the dividend policy mentioned in paragraph 6 of Part I of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends or interest received by the Company or in the treatment of profits or gains realised by the Company on its investments may reduce the level of yield received by Shareholders.

Dependence on service providers

The loss of the Manager as an investment manager could be disruptive and could have a material adverse effect on the Company and the companies in which the Company invests (due to the loss of the directoral expertise provided by the Manager to the underlying investments).

Concentration risk

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board from time to time. Current guidelines require no more than 25 per cent of the Company's NAV may be committed to any single investment, or more than 25 per cent of the Company's NAV in investments considered by the Board to be "special situations" (such as in companies that are already listed), in each case at the time of investment (or commitment), although such limits may be increased up to 60 per cent if in certain cases the Board considers it appropriate to do so. As a result, the impact on the Company's performance and the potential returns to investors will be more adversely affected if any one of those investments were to perform badly than would be the case if the Company's portfolio of investments were more diversified. Up to 60 per cent of the NAV can be held in investments the return upon which relates directly to property.

Key Man

The Company is dependent on advice from the Manager. The Company's performance may be adversely affected in the event of the long-term absence through death or incapacity of some or all of the key personnel of the Manager. The Company has in place professional indemnity insurance but does not carry key man insurance.

Guernsey law

The Company is a limited liability company incorporated under the Companies (Guernsey) Law, 2008. Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under UK law are not provided for under Guernsey law.

Performance fees

The annual performance fee payable to the Manager may result in higher payments to the Manager than alternative arrangements in other types of investment vehicles. The existence of the performance fee may create an incentive for the Manager to propose riskier or more speculative investments than it would otherwise make in the absence of such fee. In addition, since the performance fee is calculated on a basis that includes unrealised appreciation of the Company's assets, it may be greater than if such fee was based solely on realised gains.

Hedging and currency risk

The Company's assets will be denominated in sterling. The Company may, however, invest in investments denominated in currencies other than sterling. The Company may sometimes, through forward foreign exchange contracts, hedge its exposure back to sterling. While hedging may attempt to reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations. Accordingly, investors may, at certain times, be exposed to exchange rate risks between sterling and other currencies, such that if the value of the other currencies fall relative to sterling, the Company's assets will, in sterling terms, be worthless.

Substantial fees payable regardless of profit

The Company will incur obligations to pay costs. The Company will also incur obligations to pay all fees and out-of-pocket expenses properly incurred by the Manager and the Administrator. In addition, the Company's investment approach may generate substantial transaction costs (including abort fees) which will be borne by the Company. These expenses will be payable regardless of whether the Company makes a profit.

Term of the Investment Management Agreement

The Investment Management Agreement can only be terminated by either party giving to the other no less than 3 months' notice to terminate the agreement. For further information, please see paragraph 9 of Part V of this document.

Liability and indemnification of service providers

The Manager and the Administrator will be excluded from liability to the Company under certain circumstances. Please see paragraph 9 of Part V of this document for further information. Changes in laws or regulations governing the Company's operations may adversely affect its business.

Legal and regulatory changes could occur that may adversely affect the Company. The regulatory environment for investment funds is evolving, and changes in the regulation of investment funds may adversely affect the value of investments and the ability of the Company to successfully pursue its investment strategies.

Changes in taxation legislation may adversely affect the Company or Shareholders

Statements in this document concerning the taxation of the Company or the Shareholders are based upon current Guernsey and Jersey tax law and practice, which laws and practice are subject to change. Any change in the Company's tax status, or in taxation legislation in the Bailiwicks, the United Kingdom or elsewhere, could affect the value of its investments and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders.

Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

Borrowings

Prospective investors should be aware that whilst the use of borrowings can enhance the NAV per Ordinary Share where the value of the Company's investments is rising, it can also reduce the NAV per Ordinary Share where the underlying net asset value is falling. This could adversely affect the NAV per Ordinary Share and returns to Shareholders. The use of external borrowings magnifies both the favourable and unfavourable effects of price movements in the Company's investments. Furthermore, should any fall in the asset value of the investments result in the Company breaching any financial covenants contained in any borrowing agreements, the Company may be required to repay such borrowings in whole or in part together with any attendant costs. This could further adversely affect the NAV per Ordinary Share and returns to Shareholders.

Net asset value

The value of, and the income derived from, the Ordinary Shares can fluctuate and may go down as well as up. Notwithstanding the existence of share buy-back powers, there is no guarantee that the market price of the Ordinary Shares will fully reflect the underlying NAV per Ordinary Share. The market value of the Ordinary Shares, as well as being affected by the underlying value of the Company's investments, will also be influenced by their dividend yield and exchange rates and the supply of and demand for the Ordinary Shares in the market. As such, the market value of an Ordinary Share may vary considerably from the underlying NAV per Ordinary Share.

The risks listed above do not necessarily comprise all the risks associated with an investment in the Company.

PART V

ADDITIONAL INFORMATION

1. Incorporation and status of the Company

1.1 The Company was incorporated with limited liability in Guernsey, as a closed-ended investment company, under the Law on 22 September 2008 with registered number 49479 as a private company limited by shares.

1.2 The principal legislation under which the Company operates is the Law and the regulations made thereunder.

1.3 The registered office of the Company is at P.O. Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS. Statutory records of the Company are located at the registered office of the Company.

1.4 Subject to the applicable laws, the liability of the members of the Company is limited.

2. Share capital of the Company

2.1 The Company's authorised and issued share capital, at the date of this document and as it is expected to be immediately following Admission (assuming the maximum number of New Ordinary Shares are issued by the Company as part of the Placing) is as follows:

At the date of this document:

Authorised number of ordinary shares	Nominal value	Issued and fully paid
Unlimited	No par value	32,963,650

Immediately following Admission:
(assumes the Placing is fully subscribed)

Authorised number of ordinary shares	Nominal value	Issued and fully paid
Unlimited	No par value	52,963,650

2.2 On incorporation the Company's authorised share capital was divided into an unlimited number of shares of no par value. Upon issue, the Directors may categorise shares as Ordinary Shares or as C Shares or otherwise.

2.3 Since the date of the Company's admission to trading on the CISEA, no share or loan capital has been issued and agreed to be issued or is now proposed to be issued for cash or any other consideration and no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company. No share capital of the Company is currently under option or agreed to be put under option.

3. Memorandum and Articles of Incorporation

3.1 The principal objects of the Company are not restricted. The objects of the Company are set out in full in clause 5 of its memorandum of association.

3.2 The Articles contain provisions, inter alia, to the following effect:

3.2.1 Voting rights

On a show of hands, every Member present in person or by proxy shall have one vote subject to any special voting powers or restrictions, unless such proxy is himself/herself a Member entitled to vote. On a poll, every Member present in person or by proxy shall have one vote for each Ordinary Share held by him/her subject to any special voting powers or restrictions.

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

To any separate general meeting of a class the provisions of the Articles relating to general meetings shall apply, but so that the necessary quorum for a variation of class rights meeting is:-

(a) for a meeting, other than an adjourned meeting, two (2) persons present holding at least one third of the voting rights of the class in question; or

(b) for an adjourned meeting, one (1) person holding shares of the class in question; or

(c) where the class has only one Member, that Member.

For the purposes of the above, where a person is present by proxy or proxies, he/she is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

At a variation of class rights meeting, any holder of shares of the class in question present may demand a poll. For the purposes of the above:-

(a) any alteration of a provision contained in the Articles for the variation of rights attached to a class of shares, or the insertion of any such provision into the Articles, is itself to be treated as a variation of those rights; and

(b) references to the variation of rights attached to a class of shares include references to their abrogation.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

3.2.2 General meetings

General meetings shall be held once at least in each subsequent calendar year in accordance with Sections 199 of the Law but so that not more than fifteen (15) months may elapse between one annual general meeting and the next. The requirement for a general meeting may be waived by the Members in accordance with the provisions of the Law. Other meetings of the Company shall be called extraordinary general meetings.

The quorum for a general meeting shall be two (2) or more Members holding 5 per cent or more of the voting rights applicable at such meeting present in person or by proxy provided that, if the Company shall have only one (1) Member entitled to attend and vote at the general meeting, that Member shall constitute a quorum.

If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned for fourteen (14) clear days at the same time and place and no notice of adjournment need be given.

3.2.3 Dividends

Subject to compliance with Section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any Ordinary Shares of the

Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.

Unless and to the extent that the rights attached to any Ordinary Shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of shares held by each Member.

The Board may deduct from any dividend payable to any Member on or in respect of an Ordinary Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

The Board may retain any dividend or other moneys payable on or in respect of an Ordinary Share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

The Board may retain dividends payable upon Ordinary Shares in respect of which any person is entitled to become a Member until such person has become a Member.

With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up Ordinary Shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional Ordinary Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members, entitled as may seem expedient to the Board. Any dividend interest or other moneys payable in cash in respect of Ordinary Shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register.

Any one of two or more joint holders may give effectual receipts for any dividends, interest, bonuses or other moneys payable in respect of their joint holdings.

No dividend or other moneys payable on or in respect of an Ordinary Share shall bear interest against the Company.

All unclaimed dividends (or unclaimed sums payable in respect of Ordinary Shares) may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

3.2.4 Return of capital

If the Company shall be wound up whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution divide among the Members, in specie, the whole or any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the liquidator with the like sanction shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the Members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen (14) clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "transferee") the liquidator of the Company may, with the sanction of an ordinary resolution, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

3.2.5 Transfer of shares

(1) The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, paragraph (2) below (amongst others) shall commence to have effect immediately prior to the time at which EUI admits the class to settlement by means of the CREST UK system.

(2) In relation to any class of shares which, for the time being, EUI has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

(a) the holding of shares of that class in uncertificated form;

(b) the transfer of title to shares of that class by means of the CREST UK system; or

(c) the CREST Guernsey Requirements.

The Company shall keep the Register in accordance with Sections 123-128 of the Law and allow inspection in accordance with Sections 127-128 of the Law. Subject to the CREST Guernsey Requirements and without prejudice to Section 127 of the Law, the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in one year) as the Board may decide and either generally or in respect of a particular class of share.

3.2.6 Redemptions

Subject to the provisions of the Law any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine.

The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(i) during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(ii) the Company shall following the expiry of such period of twelve (12) years have inserted advertisements, but in a national newspaper and in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares; and

(iii) during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and

(iv) notice shall have been given to the stock exchanges on which the Company is listed, if any.

3.2.7 C Shares

In order to prevent the issue of further shares diluting existing Shareholders' share of the NAV of the Company, if the Directors consider it appropriate they may issue further shares as "C Shares". C Shares constitute a temporary and separate class of shares which are issued at a fixed price determined by the Company. The issue proceeds from the issue of C Shares will be invested in new portfolio investments, which will initially be attributed solely to the C Shares. Once the further investments have been made, the C Shares will be converted into Ordinary Shares on a basis which reflects the respective net assets per share represented by the two classes of shares. There is currently no intention to issue C Shares.

3.2.8 Determination of Net Asset Value

The Net Asset Value of the Company shall be determined in accordance with the following provisions:-

(1) The Net Asset Value shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of the Company.

(2) The assets of the Company shall be deemed to include the following:-

(a) all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;

(b) all treasury bills, demand notes, promissory notes and accounts receivable;

(c) all shares, stocks, units, participations, warrants, bonds, time notes, debenture stock, subscription rights, options, futures contracts and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;

(d) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to stockholders of record on a date before the day as of which the assets are being valued;

(e) all interest accrued on any interest-bearing securities owned by the Company; and

(f) unrealised profits on open contracts.

(3) Any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.

(4) The investments of the Company shall be valued as follows:-

(a) subject to sub-Article (6) assets listed, quoted or dealt in on a recognised securities exchange (including financial futures, warrants and rights expressed by reference to stock indices) are to be valued at the market dealing price, at the last close of business before the Valuation Point on the recognised securities exchange which, in the opinion of the Directors, is the principal recognised securities exchange on which the asset in question is listed, quoted or dealt in. If separate bid and offer prices are quoted, the price to be adopted for calculating the Net Asset Value shall be the mean average of the two prices;

(b) deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;

(c) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;

(d) certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the assets are being valued;

(e) investments in unit trusts or other forms of collective investment schemes will be valued at the latest available mid-market price or valuation quoted by the manager or, as the case may be, the administrator of the unit trust or scheme in question;

(f) any interest and exchange rate contracts will be valued at their market value; and

(g) other investments of the Company shall be valued as determined by the Directors from time to time in their absolute discretion.

PROVIDED THAT where the value of an investment cannot be determined in accordance with the above procedures, or in instances where the Directors determine that it is impracticable or inappropriate to determine a price or liability in accordance with the above procedures, the price or liability will be a fair and reasonable value or a fair and reasonable assessment of the liability as determined in good faith and on a prudent basis in such manner as the Directors of the Company may prescribe in accordance with the accounting procedures applicable from time to time to the Company.

(5) Notwithstanding the foregoing, where at the time as of which the assets are being valued any investment of the Company has been realised or unconditionally contracted to be realised there shall be included in the assets of the Company in place of such investment the net amount receivable by the Company in respect thereof provided that if the net amount receivable is not payable until some further time after the time as of which the assets are being valued the Directors may make such allowance as they consider appropriate.

(6) Notwithstanding the rules in sub-Article (4), where an option subsists for another person to purchase an asset from the Company or for the Company to sell an asset to another person, but such option has not been exercised, the value of the asset concerned shall be taken to be the price at which the option is exercisable, at any time at which such price is (in the case where another person is entitled to purchase)

lower than, or (in the case where the Company is entitled to sell to another person) higher than, the price by reference to which the value would otherwise be calculated.

(7) Any valuations made pursuant to these Articles shall be binding on all relevant persons.

(8) The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities including (but without limitation) liabilities in respect of taxation on income or capital gains whether realised or unrealised) of whatsoever kind and nature. Any unrealised loss on open contracts will be included as liabilities of the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. All fees and expenses payable by the Company shall be treated as accruing on a daily basis unless the Directors shall otherwise determine.

(9) Brokerage commissions on open contracts shall be accrued as a liability of the Company upon the initiation of such positions.

3.2.9 Creation or issue of further securities, changes in share capital and variation of rights

The Company may by ordinary resolution:-

(a) convert shares from one class to another and convert, reclassify, consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;

(b) subject to other provisions in the Articles, subdivide all or any of its shares into shares of a smaller amount;

(c) cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein;

(e) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

3.2.10 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

3.2.11 Directors' Appointment, Renewal and Retirement

The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to the Articles and to the Law and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this paragraph shall not be limited or restricted by any special authority or power given to the Board by any other Article.

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman at the meeting shall have a second or casting vote.

A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.

The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the minimum number fixed pursuant to the Articles, the continuing directors may act for the purpose of increasing the number of directors to that number or of summoning a general meeting but for no other purpose. If there be no directors able or willing to act, then any Member may summon a general meeting for the purpose of appointing directors.

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two (2) for a meeting of the Board and two (2) for a committee of the directors, except that where the minimum number of directors has been fixed at one, a sole director shall be deemed to form a quorum.

For the purposes of the Articles an alternate appointed by a director shall be counted in a quorum at a meeting at which the director appointing him is not present.

A director shall cease to hold office:-

(a) if he (not being a person holding for a fixed term an executive office, subject to termination if he ceases for any cause to be a director) resigns his office by written notice signed by him sent to or deposited at the Office;

(b) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;

(c) if he dies or becomes of unsound mind or incapable;

(d) if he becomes insolvent suspends payment or compounds with his creditors;

(e) if he is requested to resign by written notice signed by all his co-directors;

(f) if the Company in general meeting shall declare that he shall cease to be a director; or

(g) if he becomes ineligible to be a director in accordance with Section 137 of the Law.

If the Company in general meeting removes any director before the expiration of his period of office, it or the Board may appoint another person to be a director in his stead who shall retain his office so long only as the director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such director may have for damages for breach of any contract of service between him and the Company.

3.2.12 Directors and conflicts of interests

A director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law:-

(a) if the monetary value of the director's interest is quantifiable, the nature and monetary value of that interest; or

(b) if the monetary value of the director's interest is not quantifiable, the nature and extent of that interest.

The above paragraph does not apply if:-

(a) the transaction or proposed transaction is between a director and the Company; and

(b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

A general disclosure to the Board to the effect that a director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

Nothing in the above paragraphs applies in relation to:-

(a) remuneration or other benefit given to a director;

(b) insurance purchased or maintained for a director in accordance with Section 158 of the Law; or

(c) qualifying third party indemnity provision provided for a director in accordance with Section 159 of the Law.

A director who is interested in a transaction entered into, or to be entered into, by the Company, may:-

(a) vote on a matter relating to the transaction;

(b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purpose of a quorum;

(c) sign a document relating to the transaction on behalf of the Company; and

(d) do any other thing in his capacity as a director in relation to the transaction;
as if the director was not interested in the transaction.

Subject to the paragraphs below, a director is interested in a transaction to which the Company is a party if the director:-

(a) is a party to, or may derive a material benefit from, the transaction;

(b) has a material financial interest in another party to the transaction;

(c) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;

(d) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or

(e) is otherwise directly or indirectly materially interested in the transaction.

A director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the

Company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

A director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

Any director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

3.2.13 Power to purchase own shares

The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the repurchase price in respect of such purchase to the fullest extent permitted by the Law.

3.2.14 Untraceable Members

The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(A) during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(B) the Company shall following the expiry of such period of twelve (12) years have inserted advertisements, but in a national newspaper and in a newspaper circulating in the area in which the last known address of the shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and

(C) during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such shareholder or person; and

(D) notice shall have been given to the Channel Islands Securities Exchange.

3.2.15 Remuneration of Directors

The directors shall be paid out of the funds of the Company by way of fees such sums not exceeding an aggregate of £90,000 (ninety thousand pounds) per annum as the directors shall determine, or as may otherwise be approved by the Company in general meeting. Directors' fees shall be deemed to accrue from day to day.

The directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.

If any director, having been requested by the Board, shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

The Board may pay a gratuity, pension or allowance on death or retirement to, and may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation or life assurance funds or schemes, for the benefit of any persons:-

(a) who are or were at any time in the employment or service of the Company or of any company which is or was a holding or subsidiary company of the Company or of any predecessor in business of any of them; or

(b) who are or were at any time directors or officers of the Company or of any such other company or predecessor in business and holding any salaried employment or executive office in the Company or such other company or predecessor in business; and the wives, widows, children, dependants or relations of any such persons. The receipt of any such gratuity pension or allowance shall not disqualify any person from being a director of the Company.

The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons.

The Board may do any of the matters aforesaid either alone or in conjunction with any such other company.

4 Remuneration of the Directors

4.1 The Directors are engaged by the Company under letters of appointment with the Company providing for each to act as a Non-executive director of the Company.

4.2 Removal

The appointment of each of the Directors is terminable by three months' notice in writing by either party. No benefits are payable to any of the directors upon termination of their engagement with the Company other than in respect of fees and expenses accrued to the date of termination.

4.3 Director’s Remuneration

The Directors annual fees are:

Name	Annual Fee (£)
David Lowe	£35,000
John Henwood	£27,500
Charles Parkinson	£27,500

The aggregate remuneration payable by the Company (including bonuses and benefits in kind) to the Directors in respect of the period ending 31 December 2015 under arrangements in force at the date of this document is expected to amount to approximately £105,000.

4.4 Save as set out in paragraph 4.1 above, on Admission there will be no existing or proposed service agreements between the directors and any member of the Company. Furthermore, there are no commissions or profit-sharing arrangements with any of the Directors.

4.5 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

5 Advisers

The Administrator was incorporated as a limited liability company in Guernsey on 19 February 2007 and is wholly owned by Saffery Champness Holdings Limited, a company incorporated in Guernsey. The Administrator is licensed by the GFSC to carry on all aspects of controlled investment business in respect of collective investment schemes and general securities and derivatives.

The Manager was incorporated as a limited liability company on 4 September 2008. The Manager is regulated by the GFSC and is licensed under the POI Law to manage collective investment schemes. The Manager is subject to financial provisions as set out in The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2007, as amended. The registered office of the Manager is set out on page 4 of this document and its telephone number is 01481 729100.

6 Principal establishments

The Company's registered office and principal place of business is at PO Box 141, La Tonnelle House, Les Banques, St. Sampson, Guernsey, GY1 3HS. The Company's telephone number is + 44 (0) 1481 715167.

7 Pensions

The Company does not operate any pensions arrangements.

8 Arrangements relating to the Placing and the Lock-ins

The Placing Agreement

On 4 December 2015, the Company and the Manager entered into the Placing Agreement pursuant to which the Manager has agreed, conditionally upon, inter alia, Admission taking place not later than 31 March 2016, to use its reasonable endeavours to procure subscribers for the new Placing Shares at the Placing Price.

Under the Placing Agreement, the Manager will receive a commission of 2 per cent. of the aggregate value at the Placing Price of the Placing Shares, to be paid by the Company. The Company has agreed to pay all other costs, charges and expenses of, or incidental to, the Placing and the application for Admission and related arrangements. The Manager is to receive the whole of its commission in cash from the Company.

The Placing Agreement, which contains certain warranties, undertakings and indemnities by the Company in favour of the Manager is conditional, inter alia, on (i) Admission occurring not later than 18 December 2015 (or such later date as the Company and the Manager may agree not being later than 31 March 2016) and (ii) none of the warranties given to the Manager prior to Admission being untrue, inaccurate or misleading in any material respect.

The Manager may terminate the Placing Agreement in specified circumstances, including for breach of warranty, at any time prior to Admission and in the event or force majeure at any time prior to Admission.

9 Material contracts and related party transactions

Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Company within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Company or have been entered into by any member of the Company at any time and contain a provision under which any member of the Company has any obligation or entitlement which is material to the Company at the date of this document:-

(1) the Placing Agreement, as described more fully in paragraph 8 above;

(2) The Investment Management Agreement dated 10 December 2014 between the Company and the Manager whereby the Manager agrees to be responsible for sourcing, evaluating, negotiating, completing, monitoring and managing investments on behalf of the Company.

Under the Investment Management Agreement, the Manager will receive a management fee and may receive a performance fee dependent upon performance as described in paragraph 5 of Part II of this document. The Company will also reimburse the Manager in respect of reasonable out of pocket expenses and certain other expenses incurred by the Manager in carrying out its duties under the Investment Management Agreement.

Subject to this restriction and to the conflict management arrangements described in paragraph 8 of Part II:

- the services of the Manager under the Investment Management Agreement are not exclusive and the Manager is free to render similar services to others; and
- the Manager and each Interested Party is free to enter into other fund management arrangements or be concerned or otherwise interested in any entity entering into other fund management arrangements.

The Investment Management Agreement may be terminated by either party giving to the other not less than 3 months' written notice, or otherwise in circumstances where, amongst other things, there is a commencement of a winding-up of one of the parties or any other similar event of insolvency or if the other party is in material breach of the Investment Management Agreement.

The Investment Management Agreement may also be terminated on shorter notice in circumstances where, inter alia:

- there is a commencement of a winding-up of one of the parties or any other similar event of insolvency; and
- the Manager, ceases to be licensed and regulated in the conduct of its business.

(3) The Administration Agreement dated 1 September 2014 between the Company and the Administrator where by the Administrator has been appointed to provide day to day administration, custodial and secretarial services to the Company. In consideration for its services under this agreement and for acting as Registrar, the Administrator will receive an administration fee of 0.15 per cent of the Company's NAV subject to an annual minimum of £60,000 and £8,000 per subsidiary company. The Administration Agreement is terminable by either party giving not less than 3 months' notice in writing and in certain other circumstances, including material breach of the terms of the agreement by either party.

The Administration Agreement provides that the Administrator shall not be liable in respect of any claim, loss or damage suffered or incurred by the Company howsoever arising in connection with the Administrator's duties under the Administration Agreement, save where such losses arise from negligence, fraud or wilful default on the part of the Administrator. The Company also indemnifies the Administrator against losses suffered or incurred by the Administrator in connection with the Administrator's duties under the Administration

Agreement, save where such losses arise as a result of the negligence, fraud or wilful default of the Administrator.

10 Additional information

10.1 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

10.2 Other than the CISEA, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

10.3 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's activities.

10.4 The Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Adjusted Closing NAV”	the Adjusted NAV at the end of a performance period;
“Adjusted Closing NAV per Ordinary Share”	the Adjusted Closing NAV divided by the number of Ordinary Shares in issue at that time;
“Adjusted NAV”	the NAV of the Company adjusted by (i) not taking into account any liability of the Company for accrued performance fees and accrued advisory fees and (ii) adding back an amount equal to any dividends or distributions (including distributions of capital) declared during an accounting period to Shareholders;
“Admission”	the admission of the Placing Shares to trading on the Official List effective in accordance with the CISEA Rules;
“AIM”	AIM, a market operated by the London Stock Exchange;
“Articles”	the articles of incorporation of the Company to be adopted prior to Admission, details of which are set out in paragraph 3 of Part V of this document;
“Audit Committee”	means the committee consisting of Charles Parkinson, John Henwood and David Lowe which will be responsible for, inter alia, reviewing and monitoring internal financial control systems and risk management systems and reviewing annually the independence, objectivity, effectiveness and qualifications of the auditors of the Company;
“Bailiwicks” or “Channel Islands”	means the Bailiwicks of Jersey and Guernsey;
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document;
“CISEA”	The Channel Islands Securities Exchange Authority Limited
“Company”	Bailiwick Investments Limited, a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered company number 49479;
“Connected Party Transaction”	a transaction between the Company and a connected person (within the meaning of the CISEA Rules) and terms “Connected Party Transactions”, “Connected Transactions”, ”Connected Transaction Rules”, “Connected Party” and “Connected Parties” shall be construed accordingly;
“CREST Guernsey Requirements”	Rule 8 of the CREST Rules and such other of the rules and requirements of EUI as may be applicable to issuers as from time to time specified in the CREST manual;
“CREST UK system”	the facilities and procedures for the time being of the relevant system of which EUI has been

	approved as operator pursuant to the UK regulations;
"EUI"	Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) incorporated in England and Wales under company number: 2878738 and whose registered office is at 33 Cannon Street, London, EC4M 5SB;
"FSMA"	means the UK Financial Services and Markets Act 2000;
"GFSC"	the Guernsey Financial Services Commission;
"High Watermark"	the highest previously recorded Opening NAV per Ordinary Share as reduced by the sum of all dividends and distributions per Ordinary Share since the date such highest Opening NAV per Ordinary Share was established;
"Hurdle NAV per Ordinary Share"	means: for each accounting period, a hurdle rate applied to the Opening NAV per Ordinary Share for that period equal to 2 (two) per cent. per annum over the average Bank of England base rate on the last day of January, April, July and October of that period;
"Interested Party"	any Company within Ravenscroft Limited's group;
"IPO"	means Initial Public Offerings and the term "IPOs" shall be construed accordingly;
"Law"	means The Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder;
"Listing Rules"	the listing rules of the CISEA (as amended and replaced from time to time);
"London Stock Exchange"	London Stock Exchange plc;
"Manager"	Ravenscroft Limited registered with company number 42906;
"Member"	means a Shareholder and any person entitled to be a Shareholder on the death, disability or insolvency of a Shareholder and the term "Members" shall be construed accordingly;
"NAV" or "NAV per Ordinary Share"	respectively the net asset value of the Company and the net asset value of an Ordinary Share calculated in accordance with the investment valuation policy and the accounting policies of the Company from time to time;
"Net Proceeds"	the Placing Proceeds (after deduction of all expenses and commissions relating to the Placing and Admission payable by the Company);
"Official List"	the Official List of the CISEA;
"Opening NAV per Ordinary Share"	the NAV of the Company at the beginning of a performance period divided by the number of Ordinary Shares in issue at the time or the High Watermark (if higher) as increased by the Hurdle NAV per Ordinary Share reduced

	by the sum of all dividends and distributions declared per Ordinary Share in the preceding final period;
“Ordinary Shares”	ordinary shares of no par value each in the share capital of the Company;
“Placing”	the conditional placing of the Placing Shares by the Manager, at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 4 December 2015 between the Company and the Manager further details of which are set out in paragraph 8 of Part V of the document;
“Placing Price”	111.5p per Ordinary Share;
“Placing Proceeds”	the aggregate cash proceeds of the Placing;
Placing Shares”	up to twenty million Ordinary Shares to be allotted pursuant to the Placing;
“POI Law”	The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended;
“Portfolio”	the direct and indirect assets of the Company from time to time;
“Register”	the register of Members of the Company kept pursuant to the Law;
“Reporting Accountants” or "Auditors"	Grant Thornton Limited;
“Shareholders”	registered holders of Ordinary Shares and the term “Shareholder” shall be construed accordingly;
“UKLA”	means the Financial Services Authority acting in its capacity as the competent authority for Part VI of the FSMA; and
“UK regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (S1 2003 No.1633), and such other regulations made under S.207 of the Companies Act 1989 as amended or replaced, as are applicable to EUI and/or the CREST relevant system and are from time to time in force.

Appendix 1
Audited Report and Consolidated Financial Statements of the Company for the year ended 31 October 2014

BAILIWICK
INVESTMENTS

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014

CONTENTS **PAGES**

DIRECTORY

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
Legal advisors	Collas Crill Glategny Court PO Box 140, Glategny Esplanade St. Peter Port Guernsey GY1 4EW
Registered Number	49479

Dear Shareholder

2014 has been an excellent year for your Company; during the period we have realised significant profits on our investment in the Legis Group and have been able to return this profit to shareholders by way of a special dividend of 25p per share. In addition, we have been able to increase the Company's normal dividend from 4.5p per share to 5.0p per-share, an 11% increase. We have made a number of investments in significant Channel Islands based

I am pleased to report that the net asset value (NAV) of the Company was £1.1140 at 31 October 2014 (£1.2952 as at 31 October 2013). Whilst at first sight this represents a decline, the NAV was reduced by the payment of the special dividend of 25p per share mentioned above. Adjusted for this the Company would be showing a NAV of £1.3640, an increase of 6.88p per share.

Recent valuations carried out on the two properties within the portfolio have revealed a combined decline in value of some £400,000. This is mainly due to the fact that we are one year closer to the next lease break option on one property. In the opinion of the Board and Manager both properties are of good quality with strong covenants and future growth prospects.

Breedon Aggregates Ltd remains a very solid investment for the portfolio. The share price continues to rise and during the year went from 35.50p to 43.38p, a 22% increase. According to the company, it continues to trade strongly. Jersey Electricity has been showing continued signs of recovery. It announced a 12.20p per share dividend for the year which represented a 5% increase on 2013.In addition profits before tax were up 21% and during the period they have successfully installed the third connection to France.

During the year Legis Group Holdings Ltd (Legis) performed extremely well given the challenging economic environment. Legis continued to win new business across the sector and grew their reputation as one of the market leaders within the trust and fund administration industry. This led to the business being better recognised outside the Channel Islands and, as reported in my statement last year, this led to the sale of the trust arm of the business to the Bank of Butterfield which was completed on 8 April 2014. This realisation of value meant that the Company was able to pay the special dividend of 25p per share to all shareholders. The Company has also now sold down its interest in Legis Fund Services Limited to the Orangefield Group, the transaction being completed on 21 November 2014. The Company still retains a 10% shareholding in the Orangefield Legis fund business and a holding in Legis Tax Services Ltd. These transactions demonstrate that your Company can both create value and realise it to the benefit of Shareholders. It also underlines your board's continuing policy of reinvesting in other projects when suitable opportunities arise.

Jersey Water continues to be a solid, dividend producing asset for the Company. As I reported last year the Company invested in the newly formed Channel Islands Securities Exchange (CISE) and the new venture has performed well during the period, investing in new management and systems. Its predecessor, the Channel Islands Stock Exchange, has gone into liquidation and we expect a small return on this investment once this process has been completed.

As stated, the Board and Manager have been very active in seeking out new investment prospects. During the period the Company acquired an investment in Aircraft Servicing Group and we are pleased to be involved with such a reputable Channel Islands based business. We look forward to working alongside the management team and assisting with the Group's plans for further development.

After its year-end your Company acquired a significant stake in Jackson's CI Limited, the pan Island car dealership. We are glad to have had the opportunity to make a substantial investment in a long established, well run and respected Channel Islands business; this further demonstrates our strategy of investing in good local companies with strong management and realistic growth prospects.

David Lowe
Chairman

12 February 2015

Net Asset Value per share as at 31 October 2014 was 111.40p (129.52p on 31 October 2013)

Current Share Price is 109p - 113p

During the year shareholders received a total dividend return of 30.0p per share. A dividend of 3.0p per share was paid to shareholders on 3rd February 2014 and the Board recommended the payment of an ordinary interim dividend of 2p per share which was paid on 27th June 2014. In addition shareholders received a special dividend of 25p per share resulting from the partial realisation of the Company's investment in Legis Group which was paid on 17th June 2014.

Performance

Ravenscroft Limited ("the Manager") is pleased to report that Bailiwick Investments Limited ("the Company") has seen an uplift in the NAV over the previous year-to-date producing an increase of 6.88p per share or 4.7% after adjusting for the special dividend. This encouraging growth reflects the general stability and performance of underlying investments and the Channel Islands economies. The shares in the Company are currently trading between 109p and 113p. The stock remains relatively liquid with 1,124,834 shares in 25 trades having been traded on the secondary market to October this year.

Legis Group Holdings Limited (Legis) has had a successful trading year. The reputation of the Company and its management team has been recognised and this has been reflected by the impressive inflow of new business in both the trust and fund businesses throughout the year. We are pleased to report that the Bank of Butterfield made an offer for the Trust business which was accepted and completed on 8th April 2014. The initial payment was received on this date and there will be further payments over the next three years the size of which will depend on the continued trading performance and any warranty claims being brought. The company has also now sold down its interest in Legis Fund Services Limited to the Orangefield Group this transaction was completed on 21 November 2014. Bailiwick Investments Limited will retain 10% of its investment in the fund administration business and its holding in Legis Tax Services Limited. At 31st October 2014 these interests were valued at £4,822,664.

Portfolio Review

Commercial property

The retail market a remains challenging but even this area has shown a degree of resilience in 2014. The rise of internet purchases becoming more and more popular continues to have a major impact on this sector. The prime market in Guernsey remains an attractive investment sector. Favourable supply and demand dynamics, together with limited availability of top quality office stock, has led to progressive rental uplifts being achieved across the sector. Investment activity in the commercial property market in Guernsey remains reasonably flat, in recent months however we have seen some activity and at least one material sale of investment product in the office sector. There have been a limited number of retail properties, principally in the centre of St. Peter Port, have been sold. The majority of local banks are continuing to lend in the market, although their margins have remained relatively stable over the past 12 months and are some way off the levels which were seen a few years ago. However, this fact can be largely offset by adopting an appropriate hedging policy. CBRE has undertaken the valuations of Carey House and Nelson House as at 31st October 2014. Each of these properties have been valued at £16,690,000 and £6,143,000 respectively, and demonstrates a combined fall in value of some £400,000 on the 2013 valuations. However since the year end we have obtained an uplift in rent on both properties and expect that this has had a positive impact on value.

Listed Securities

Breedon Aggregates Limited ("Breedon") - Breedon continues to trade strongly, with both the recently acquired and underlying businesses making good progress. According to the company for the 10 months to October, sales volumes of aggregates increased by 26 per cent, asphalt by 12 per cent and ready-mixed concrete by 18 per cent compared to last year. Group sales revenue for the 10 months to October increased by 20 per cent to £226 million. Breedon went on to say that assuming that weather conditions remain favourable for the remainder of the year, underlying EBITDA and underlying basic earnings per share for the full year are expected to be ahead of current market expectations.

Jersey Electricity ("JEL") JEL has witnessed an increase of 10% to its share price during the last 12 months. 2014 was the Company's 90th anniversary and they marked this celebration with the landmark achievement of the successful installation of their third interconnector to France, Normandie 3 (N3) - under budget and ahead of its 2015 schedule. The N3 project, co-invested under their joint venture with Guernsey Electricity, their partners in the Channel Islands Electricity Grid, has been 10 years in the making and more than doubles their importation capacity which had been severely restricted since June 2012 when their oldest interconnector, EDF1, failed and was removed from service. The Chairman Geoffrey Grime said “last year we delivered a foundation for recovery. This year we have built further on this with an expected upward movement in Energy profit, which reached the level of £8.0m on an operating basis, restoring it to pre-2012 levels. Importantly, this profitability reflects the return necessary to support continued investment”. This recovery is being reflected in the share price which at the reporting date was £3.35, an increase from £3.05 reported in 2013.

Other Investments

Channel Islands Stock Exchange ("CISX") - The CISX is still undergoing the liquidation process following on-going investigations by the Guernsey Financial Services Commission and the timescale for this to complete is unknown.

However, the scheme of arrangement to create the new Channel Island Securities Exchange Authority Limited ("CISE") completed towards the end of 2013 and has been in full operation since that time. Shares were issued in the CISE at £1.00 and are now currently trading at £1.25. We see great potential in the new exchange which is now being led by a capable and experienced management team.

Throughout the past 12 months several investment opportunities have been explored and taken to due diligence stage. Towards the end of the financial year in particular, potential new investment activity has dramatically increased and the Manager is pleased to say that two of these transactions were completed after the year end. On 26th November 2014 the successful acquisition of ASG Group Limited (“ASG”) was announced. ASG is a well-established Guernsey based FBO (“fixed-base operator”) which operates out of over 41,000 square foot of modern hangar and offers a range of aeronautical services including aircraft maintenance and servicing, avionics support, complete aircraft handling, aircraft hangarage and aircraft management. Following this acquisition, the founding shareholders of ASG - Mr. Mark Parr, Mr. Richard Parr and Mr. Nigel Le Gallez, together retain a combined 25% shareholding in each of the operating subsidiaries (Aircraft Servicing (Guernsey) Limited, ASG (Flight Support) Limited, ASG Leasing Limited and Fly ASG Limited) alongside Mr. Stephen Page who has also acquired a 25% shareholding in each of the operating subsidiaries. Stephen Page has been appointed as CEO and Mark Parr will remain as managing director of Aircraft Servicing (Guernsey) Limited.

Then on 19th December 2014 we completed the acquisition of a minority stake in an investor grouping which has acquired the Jacksons CI group, which includes the Jacksons and Motor Mall dealerships in Jersey and Guernsey, Trinity Tyres in Jersey and St Martins Tyres in Guernsey. A cell of Ravenscroft Investments PCC Limited (“RIPL”) acquired the businesses and operating assets, including premises, which together make up the Jackson CI group. The price paid was £41 million and consideration was satisfied by way of £40 million in cash and the issue of £1 million in shares of RIPL. RIPL is an investment vehicle which is backed by various high net worth clients of Ravenscroft Limited and it is through this vehicle that BIL acquired its investment in the Jacksons CI group. As a result of this transaction BIL owns 36% of the capital of RIPL. The existing management team, led by Paul Collier, will remain and have the full support of RIPL in taking the business forward.

Conclusion

The manager continues to look for new investments which must conform to the strict investment criteria of the Company and provide an enhancement to the current portfolio structure. The portfolio is currently well diversified and meets comfortably with the risk, investment and income distribution policy of the Company.

Cash balances, including balances with broker, total approximately £3.6 million at 31st October 2014.

The Company will meet all of its financial and regulatory obligations this year.

The Company has the opportunity to raise new funds or restructure the investment portfolio to meet acquisition funding requirements. It also retains cash for investing purposes but in order to avoid cash drag, this is kept to a minimum.

Ravenscroft Investment Management Limited

12 February 2015

The Directors are pleased to present their report together with the audited consolidated financial statements of Bailiwick Investments Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 October 2014 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.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 15. During the year, following approval by the Directors, the Company paid 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 (2013: a dividend of 2.50 pence per share was paid on 1 February 2013 and a further dividend of 2.00 pence per share on 21 June 2013).

A dividend of 3 pence per share was announced on 5 December 2014 and was paid to shareholders on 5 January 2015.

Going Concern

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

Directors

The Directors who served on the Board during the year, together with their beneficial interests at 31 October 2014 and at 31 October 2013, were as follows:

	At 31.10.14 and 31.10.13	
	Ordinary shares	**% of shareholdings**
David Lowe OBE	500,000	1.88%
John Henwood MBE	75,000	0.28%
Charles Parkinson	-	0.00%

Corporate Governance

A report on Corporate Governance is included on pages 9 to 12.

Statement of directors' responsibilities in respect of consolidated financial statements

The Directors are responsible for preparing financial statements for the year 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 year and of the profit or loss of the Company for that year 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 October 2014 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

12 February 2015

The Directors present their corporate governance report for the year ended 31 October 2014.

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 2012 ("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	7 / 7	3 / 3
John Henwood	7 / 7	3 / 3
Charles Parkinson	7 / 7	3 / 3

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 year. 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

The performance of each Director has been appraised by his or her fellow Directors. 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

After a career in broadcasting during which he was chief executive of Channel Television for 14 years and undertook a number of TV industry responsibilities, John was appointed chairman of Jersey Telecom and led the business through incorporation. He was also a founder member of the board of Jersey Finance. He is presently non-executive chairman of G4S in Jersey and director of a number of other UK and Channel Islands entities.

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 as well as 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 internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

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 External Auditors

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 external auditor. Subject to the annual appointment of auditors by the shareholders, the Audit Committee conducts a continuous review of the relationship between the Company and the auditors.

The Audit Committee reviews the effectiveness of the external audit process on an annual basis. This assessment includes consideration of the auditors' 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 auditors, including the nature and quantum of non-audit services. Assurances are obtained from the auditors that they and their staff have no financial, business, employment, family or other personal relationship with the Company that could affect the auditors' independence and objectivity. The auditors explain to the Audit Committee their 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 external auditors are required to rotate the audit partner responsible for the audit every five years.

The Audit Committee, having considered the external auditors' performance during their period in office, recommends re-appointment. The audit fees of £17,075 (2013: £13,000) for Grant Thornton Limited and non-audit related fees of £3,195 (2013: £3,895) were discussed by the Audit Committee and considered appropriate given the current size of the Company and the level of activity undertaken during the year.

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

Significant issues considered by the Audit Committee since 1 November 2013 have been whether to revert to IFRS from US GAAP and the communications received from the external auditor. At its meeting on 25 November 2014 the Audit Committee decided to revert to IFRS for the preparation of the consolidated financial statements at 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 year 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 through the year 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 misstatements due to error of 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

We have audited the consolidated financial statements of Bailiwick Investments Limited (the "Company") and its subsidiary (collectively the "Group") for the year ended 31 October 2014 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

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 auditors' 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 Group and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 7, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 Group'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 consolidated financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited consolidated 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.

Audit commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. The day-to-day management of the Group's investment portfolio, the custody of its investments and the maintenance of the Group'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 Group companies and the third-party service providers, and inspecting records and documents held by the 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.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the consolidated financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the consolidated financial statements or related disclosures that would make it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole. We established a materiality for the consolidated financial statements taken as a whole to be £294,000 which is 1% of the Group's net asset value.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £14,700. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, account balances or disclosures.

Investments at Fair Value

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. Accordingly, the investment portfolio is a significant and material item. The recognition, existence and measurement of the investment portfolio is therefore a risk that requires particular audit attention.

Our audit work included, but was not restricted to, obtaining an understanding of how valuations are performed and understanding management's process to recognise and measure investments including ownership of those investments.

For quoted investments, testing a selection of investment additions and disposals to supporting documentation, obtaining a confirmation of investments held at the year-end directly from the independent broker's statement and reconciling these to the records maintained by the Company's administrator, agreeing the valuation to an independent source of market prices.

For the investment in unquoted investments, our audit work included testing a selection of investment additions and disposals to supporting documentation, reviewing share certificates held by the company and reconciling these to the records maintained by the Company's Administrator. We reviewed the valuation methodology and verified the inputs used in arriving at the fair value by validating against appraisal reports from independent and qualified third parties or by validating Fair Value against sale and purchase transactions near the ear-end.

We checked that the entity categorized the investments in accordance with requirements of IFRS13 'Fair Value Measurement' into appropriate level based on inputs used in valuation techniques as well as we checked the completeness of disclosures required for each level.

The Group's policy on valuation of Investments is included in Note 2.

Opinion on the consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 October 2014 and of the Group's comprehensive income for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- comply with The Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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 consolidatedsfinancial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether 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 and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

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

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

Grant Thornton Ltd

Grant Thornton Limited
Chartered Accountants
Channel Islands

12 February 2015

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	2014 £	2013 £
Income			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5	**2,433,555**	8,296,723
Dividend income	16	**1,496,569**	1,780,496
Bond income	16	**163,995**	167,587
Bank interest income		**12,995**	3,930
		4,107,114	10,248,736
Expense			
Performance fee	3	**119,901**	826,703
Management fees	3	**338,929**	336,177
Loan interest expense		**228,681**	230,435
Administration and other expenses	4	**260,192**	196,952
		947,703	1,590,267
Profit/(loss) and total comprehensive income for the year		**3,159,411**	8,658,469
Weighted average shares in issue during the year		**26,600,000**	26,600,000
Earnings per Ordinary Share (basic and diluted)	18	**£0.12**	£0.33

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 YEAR ENDED 31 OCTOBER 2014

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 November 2012	-	25,581,500	1,409,722	26,991,222
Profit/(loss) and total comprehensive income for the year	-	-	8,658,469	8,658,469
Dividends	-	-	(1,197,000)	(1,197,000)
Balance at 31 October 2013	-	25,581,500	8,871,191	34,452,691
Profit/(loss) 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

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

BAILIWICK INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2014

	Notes	2014 £	2013 £	As at 1 November 2012 £
Assets				
Financial assets at fair value through profit or loss	5			
Investment in subsidiaries		**30,303,633**	34,409,130	26,925,708
Equities		**5,315,383**	4,606,333	4,424,039
Interest bearing investments		**1,500,000**	2,932,130	3,933,730
Derivative financial instruments		**-**	60	1,336
Due from broker		**52,363**	782,001	21,386
Other receivables and prepayments	7	**114,456**	330,830	434,487
Cash and cash equivalents	8	**3,637,585**	2,348,345	1,287,106
Total assets		**40,923,420**	45,408,829	37,027,792
Liabilities				
Borrowings	9	**10,992,665**	10,010,143	9,980,834
Other payables	10	**298,653**	945,995	55,736
Total liabilities		**11,291,318**	10,956,138	10,036,570
Net assets		**29,632,102**	34,452,691	26,991,222
Equity				
Share Capital	12	**-**	-	-
Share Premium	12	**25,581,500**	25,581,500	25,581,500
Retained earnings		**4,050,602**	8,871,191	1,409,722
Total equity		**29,632,102**	34,452,691	26,991,222
Net Asset Value per Ordinary Share	15	**1.1140**	1.2952	1.0147

Approved and authorised for issue by the Board of Directors on 12 February 2015 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 YEAR ENDED 31 OCTOBER 2014

	Notes	2014 £	2013 £
Cash flows from operating activities			
Profit and total comprehensive income for the year		**3,159,411**	8,658,469
Adjusted for:			
Decrease/(Increase) in amount due from broker		**729,638**	(760,615)
Decrease in other receivables		**216,374**	103,657
(Decrease)/increase in other payables		**(647,342)**	890,259
Purchase of financial instruments		**(2,951,118)**	(431,919)
Sale of financial instruments		**10,213,310**	2,065,802
Net (gain) on financial assets at fair value through profit or loss	5	**(2,433,555)**	(8,296,723)
(Decrease)/Increase in loan interest payable		**(37,890)**	548
Amortisation of borrowing costs		**28,761**	28,761
Net cash flows from operating activities		**8,277,589**	2,258,239
Cash flows from financing activities			
Loan received		**11,200,000**	-
Loan repaid		**(10,000,000)**	-
Dividends paid to shareholders	13	**(7,980,000)**	(1,197,000)
Borrowing costs		**(208,349)**	-
Net cash flows used in financing activities		**(6,988,349)**	(1,197,000)
Net increase in cash and cash equivalents		**1,289,240**	1,061,239
Cash and cash equivalents at start of year		**2,348,345**	1,287,106
Cash and cash equivalents at end of year		**3,637,585**	2,348,345
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest		**187,397**	200,000

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 principle 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 October 2014; and comply with The Companies (Guernsey) Law, 2008.

The Company's financial statements were previously prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). There has been no material adjustment in the classification and measurement of the Group's assets and liabilities as a result of preparing the consolidated financial statements in accordance with IFRS. Presentational differences between IFRS and US GAAP have had no impact on reported profit or net assets.

The Company's financial statements were prepared in accordance with IFRS for all accounting periods up to 31 October 2010. Following the Company's acquisition of Legis Group Holdings Limited the company switched to preparing its financial statements in accordance with US GAAP so that the investment in Legis Group Holdings Limited could be treated as an investment in subsidiary at fair value instead of being consolidated. Following the amendment to IFRS 10 to allow the exemption from consolidation for entities which meet the definition of an investment entity the Company has returned to preparing its consolidated financial statements in accordance with IFRS.

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

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

Basis of consolidation

The Group has chosen to early adopt the amendments to IFRS 10 relating to Investment Entities and IFRS 12 and IAS 27 issued October 2012 with an initial application date of 1 November 2013. The Directors have determined that the Group 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 Fund and thus BPHL has been consolidated within these financial statements. Inter-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 and Fund 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 year ending 31 October 2014 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 Fund 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 Fund and provides financial support to the Group by way of inter-Group loans. As this investment related activity is significant to the Fund as a whole the Board has concluded that Bailiwick Property Holdings Limited should be consolidated.

New and amended standards and interpretations

The Group has adopted the following new and revised accounting standards which became effective during the year:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interest in Other Entities
IFRS 13 Fair Value Measurement
IAS 27 Separate Financial Instruments (revised)
IAS 28 Investments in Associates and Joint Ventures (revised)

The nature and the impact of each new standards and amendments are described below:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 10 'Consolidated Financial Statements' (IFRS 10)

The standard supersedes IAS 27 'Consolidated and Separate Financial Statements' (IAS 27) and SIC 12 'Consolidation-Special Purpose Entities'. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these consolidated financial statements

IFRS 11 'Joint Arrangements' (IFRS 11)

The standard supersedes IAS 31 'Interests in Joint Ventures' (IAS 31) and SIC 13 'Jointly Controlled Entities- Non-Monetary-Contributions by Venturers'. IFRS 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, IAS 31's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. IFRS 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates). Management has concluded that there are no Joint Arrangements in the group.

IFRS 12 'Disclosure of Interests in Other Entities' (IFRS 12)

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

IFRS 13 'Fair Value Measurement' (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

IFRS 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

IAS 27 Separate Financial Statements (revised)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This standard has not impacted the financial statements of the Group

IAS 28 Investments in Associates and Joint Ventures (revised)

Following the adoption of IFRS 11 and IFRS 12, IAS 28 explains how to apply the equity method to investments in joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Early adoption of amendments to IFRS 10, IFRS 12 and IAS 27 relating to investment entities.

The Group has early adopted the Investment Entities amendments to IFRS 10, IFRS 12 and IAS 27 (the "Amendments") which are effective 1 January 2014. The Amendments to IFRS 10 define an investment entity and introduce an exception from the consolidation requirements for investment entities. 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 Company. Unconsolidated subsidiaries are classified as fair value through profit or loss and measured at fair value. The Directors have determined that the Company's subsidiary Bailiwick Property Holdings Limited ("BPHL") contributes to the management of the Fund and thus BPHL has been consolidated within these financial statements.

As a result of the change in the basis of preparation from US GAAP to IFRS the early adoption of the Amendments has not resulted in a change of accounting policy with respect to investments in subsidiaries and they continue to be accounted for at fair value through profit or loss. There are no adjustments to the financial statements for the current or prior year as a result of the early adoption of the Amendments.

Standards, interpretations and amendments to published statements not yet effective

At the date of authorisation of these consolidated financial statements, the following standards and interpretations, which have not been applied in these consolidated financial statements, were in issue but not yet effective:

IFRS 2 (amendments) Share-based payments, effective 1 July 2014
IFRS 3 (amendments) Business Combinations, effective 1 July 2014
IFRS 8 (amendments) Operating Segments, effective 1 July 2014
IFRS 9 (amendments) Financial Instruments, effective 1 January 2015
IFRS 13 (amendments) Fair Value Measurement effective 1 July 2014
IAS 32 (amendments) Offsetting Financial Assets and Financial Liabilities , effective 1 January 2014.
IAS 36 (amendments) Recoverable Amount Disclosures for Non-Financial Assets, effective 1 January 2014.
IAS 39 (amendments) Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014.
IAS 16 (amendments) Property, Plant and Equipment, effective 1 July 2014
IAS 19 (amendments) Employee Benefits effective 1 July 2014
IFRS 14 Regulatory Deferral Accounts, effective 1 January 2016
IFRS 15 Revenue from Contracts with Customers, effective 1 January 2017
IAS 24 (amendments) Related Party Disclosures effective 1 July 2014
IFRIC 21 Levies effective 1 January 2014

Adoption of the above standards and interpretations are not expected to have a material impact on the consolidated 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 financial statements are presented in Sterling, which is the Group's functional and presentation

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Fund 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 Fund's investment strategy as documented in its offering memorandum, and information about these financial assets and liabilities are evaluated by the management of the Fund 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 exception under IFRS 10 Consolidated Financial Statements: investment entity exemption, the Group does not consolidate subsidiaries in the financial statements except for BPHL. Investments in subsidiaries are accounted for as financial instruments at fair value through profit or loss. The exception is applicable for annual periods beginning on or after 1 January 2014, but early adoption is permitted and the Group has early adopted this

Investment in associates:

In accordance with the exemption within IAS 28 Investments in Associates and Joint Ventures, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 recognized 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 Fund's investments in debt and equity securities is recognized 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 derecognized 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.

Realized gains and realized 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.

(f) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy, are deemed to have occurred at the end of the reporting period.

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 October 2014 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.

Derivative financial instruments

The Group uses derivative financial instruments such as interest rate caps to hedge its risks associated with interest rate fluctuations. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Ordinary shares

The Group has no planned end date and shareholders will not be entitled to require the Group 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 £600.

3 MATERIAL AGREEMENTS

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

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

Following a review of the Investment Management Agreement, with effect from 1 November 2010, 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. With effect from 31 January 2014, and applied retrospectively to any performance fee that was due but remained unpaid at that date, this is 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 total 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 £119,901 (2013: £826,703) is accrued in respect of the current year and remains outstanding at the year end (2013: £826,703) .

Directors' fees

David Lowe is entitled to an annual fee of £30,000 (2013:£30,000), John Henwood and Charles Parkinson were each entitled to an annual fee of £22,500 (2013: £20,000 per annum until 31 December 2012 and £22,500 per annum from 1 January 2013).

4 ADMINISTRATION AND OTHER EXPENSES

	2014 £	2013 £
Administration fees	**68,000**	68,000
Audit fees	**17,075**	13,000
Directors' fees	**75,000**	75,000
Registrar fees	**5,000**	5,000
Legal and professional fees	**65,245**	8,762
Other expenses	**29,872**	27,190
	260,192	196,952

Included within legal and professional fees for the year ended 31 October 2014 is £3,195 (2013: £3,895) paid to Grant Thornton Limited, the Group's auditor, for the provision of tax advice.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013	As at 1 November 2012
	£	£	£
Fair value brought forward	**41,947,653**	35,284,813	34,221,522
Purchases at cost	**2,951,118**	431,919	-
Sales	**(10,213,310)**	(2,065,802)	(475,000)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	**2,433,555**	8,296,723	1,538,291
Fair value carried forward	**37,119,016**	41,947,653	35,284,813
Represented by:			
Closing book cost	**29,009,463**	33,838,100	34,984,150
Closing revaluation of investments	**3,280,916**	8,109,553	300,663
	37,119,016	37,119,016	35,284,813

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:

- Unadjusted quoted prices in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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 hangarage and servicing	-	-	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

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, Column Holdings Limited and Commerce Holdings Limited are valued at their net asset value, as calculated by their administrator, Saffery Champness Fund Services Limited. Column Holdings Limited and Commerce Holdings Limited each own investment property which is measured at fair value based on market valuations 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 downward movement in land values since purchase and no change to its development potential.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The investment in the ASG Group Limited is valued at cost. The purchase of a 55% holding in ASG Group Limited took place in September 2014. As detailed in note 22 the Group purchased the remaining 45% of ASG Group Limited in November 2014. The Investment Manager considers that the recent purchase cost is a reliable representation of the fair value of ASG Group Limited.

The Investment Manager has valued the investment in the Channel Islands Stock Exchange, which is in liquidation, at 50p per share as the GFSC regulatory fine was less than provided for 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	**28,543,986**
Purchases	**2,314,229**
Sale proceeds	**-**
Realised gain	**-**
Fair value adjustment	**1,095,141**
Transfer to level 3	**785,839**
Transfer out of level 3	**-**
Closing balance	**30,424,966**

Transfers between level 2 and level 3

At 31 October 2013 the value of the investment in trust and corporate business of Legis Group Holdings Limited was classified as level 2. The value of the remaining balances due for the sale of the trust and corporate business have been transferred to level 3 as under IFRS the investment classification is determined by the level of its most significant component.

Quantitative information of significant unobservable inputs - Level 3

Description	***2014***	***Valuation technique***	***Unobservable input***
	£		
ASG Group Limited	2,100,000	Transaction value	Investment Manager's valuation
Bailiwick Investment Holdings Limited	210,087	Transaction value	Investment Manager's valuation
Column Holdings Limited	6,198,363	NAV	Property valuation - valuation yield
Commerce Holdings Limited	16,972,519	NAV	Property valuation - valuation yield
Channel Islands Stock Exchange	121,333	Average brokers' valuations	Estimated valuation as no active market
Legis Group Holdings Limited - 'A' ordinary shares	4,822,664	EBITDA/ revenue multiple/ transaction value	Multiple of EBITDA/ Revenue
	30,424,966		

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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 October 2014, 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 year would amount to approximately £1.5 million.

7 OTHER RECEIVABLES AND PREPAYMENTS

	2014	2013	As at 1 November 2012
	£	£	£
Prepayments	**1,956**	1,347	1,454
Dividends receivable	**112,500**	329,483	433,033
	114,456	330,830	434,487

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

8 CASH AND CASH EQUIVALENTS

	2014	2013	As at 1 November 2012
	£	£	£
Cash at bank	**3,637,585**	546,575	170,720
Short term deposits	**-**	1,801,770	1,116,386
	3,637,585	2,348,345	1,287,106

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

9 BORROWINGS

	2014	2013	As at 1 November 2012
	£	£	£
The Royal Bank of Scotland plc	**10,992,665**	-	-
HSBC Bank plc	**-**	10,010,143	9,980,834
	10,992,665	10,010,143	9,980,834
Bank borrowings payable in less than one year	**200,000**	10,010,143	-
Bank borrowings payable in more than one year	**10,792,665**	-	9,980,834
	10,992,665	10,010,143	9,980,834

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 has been used to repay the HSBC borrowings and to finance further investment acquisitions. Security for the loan is provided by way of Security Interest Agreements over the issued share capital of the Group's property holding subsidiaries Column Holdings Limited and Commerce 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

	2014	2013	As at 1 November 2012
	£	£	£
Performance fee	**119,901**	826,703	-
Management fee	**2,907**	83,507	20,536
Administration fee	**17,000**	17,000	17,000
Audit fee	**17,075**	13,000	13,000
Legal and professional fees	**28,052**	-	-
RBSI loan arrangement fee	**112,000**	-	-
Other payables	**1,718**	5,785	5,200
	298,653	945,995	55,736

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 October 2014, 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 year would amount to approximately £1.8 million (2013: +/- £2.1 million).

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

	2014	2013
	£	£
Equity securities	**5,315,383**	4,606,333
Investment in subsidiaries	**30,303,633**	34,409,130
Investment in associates	**-**	-
Derivative financial instrument	**-**	60
	35,619,016	39,015,523

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 October 2014	**Fixed interest**	**Variable interest**	**Non interest bearing**	**Total**
Assets	**£**	**£**	**£**	**£**
Investments at fair value	**4,233,247**	**-**	**32,885,769**	**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	**4,233,247**	**3,637,585**	**33,052,588**	**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	**4,233,247**	**(7,355,080)**	**32,753,935**	**29,632,102**

31 October 2013	Fixed interest	Variable interest	Non interest bearing	Total
Assets	£	£	£	£
Investments at fair value	5,665,377	-	36,282,276	41,947,653
Due from broker	-	-	782,001	782,001
Other receivables and prepayments	-	-	330,830	330,830
Cash and cash equivalents	-	2,348,345	-	2,348,345
Total Assets	5,665,377	2,348,345	37,395,107	45,408,829
Liabilities				
Borrowings	-	10,010,143	-	10,010,143
Other payables	-	-	945,995	945,995
Total Liabilities	-	10,010,143	945,995	10,956,138
Total interest sensitivity gap	5,665,377	(7,661,798)	36,449,112	34,452,691

11 FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

At 31 October 2014, 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 year would amount to approximately +/- £36,775 (2013: +/- £38,309), 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

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. HSBC has a Fitch rating of AA- and a Moody's rating of Aa3. 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 £40,923,420 (2013: £45,408,829)

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 property assets 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 properties 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 October 2014	£	£	£
Investment in subsidiaries	-	30,303,633	-
Equities	5,315,383	-	-
Interest bearing investments	1,500,000	-	-
Derivative financial instruments	-	-	-
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	-

11 FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 October 2013	£	£	£
Investment in subsidiaries	-	34,409,130	-
Equities	4,606,333	-	-
Interest bearing investments	1,432,130	1,500,000	-
Derivative financial instruments	-	60	-
Due from broker	782,001	-	-
Other receivables and prepayments	330,830	-	-
Cash and cash equivalents	2,348,345	-	-
	9,499,639	35,909,190	-
Borrowings	10,010,143	-	-
Other payables	945,995	-	-
	10,956,138	-	-

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).

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

The gearing ratio at 31 October 2014 is as follows:

	2014	2013
	£	£
Debt	**10,992,665**	10,010,143
Cash and cash equivalents	**(3,637,585)**	(2,348,345)
Net debt	**7,355,080**	7,661,798
Equity	**29,632,102**	34,452,691
Net debt to equity ratio (%)	**24.82**	22.24

12 SHARE CAPITAL

		31 October 2014 £
Authorised Share Capital		
Unlimited Ordinary Shares of no par value		-

Issued Share Capital	**Number of Shares**	**Share Premium £**
Shares at 31 October 2014	**26,600,000**	**25,581,500**

The Company's Share Capital consists of an unlimited number of Ordinary Shares of no par value. Following a share placing and offer, 26,600,000 Ordinary Shares were issued on 15 December 2008 for a consideration of £1 per share. £26,600,000 was raised from the shares issued, less share issue costs amounting to £1,018,500.

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

13 DIVIDENDS

	2014 £	2013 £
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**	-
Dividend of 2.5p per share paid 1 February 2013	**-**	665,000
Dividend of 2.0p per share paid 21 June 2013	**-**	532,000
	7,980,000	1,197,000

14 FINANCIAL HIGHLIGHTS

	2014 £	2013 £
Per Share Operating Performance (For a share outstanding throughout the year)		
Net asset value at start of the year	**1.2952**	1.0147
Income from investment operations:		
Net investment income	**0.0273**	0.0136
Net realised and unrealised gain/(loss) on investments	**0.0915**	0.3119
Total from investment operations	**0.1188**	0.3255
Less distributions	**(0.3000)**	(0.0450)
Total increase in net assets	**(0.1812)**	0.2805
Net asset value at end of the year	**1.1140**	1.2952
Total return	**9.17%**	32.08%
Supplemental data:		
Net assets (end of year)	**29,632,102**	34,452,691
Ratio to net assets		
Expenses	**3.20%**	4.62%
Portfolio turnover rate	**9.96%**	1.25%
Internal Rate of Return for the year	**9.46%**	32.98%
Cumulative Internal Rate of Return	**7.75%**	7.46%

15 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 £29,632,102 and on 26,600,000 Ordinary Shares in issue at 31 October 2014.

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

	2014	2013	2012
	£	£	£
Consolidated financial statements NAV	**29,632,102**	34,452,691	26,991,222
No. of shares in issue	**26,600,000**	26,600,000	26,600,000
NAV per Share	**1.1140**	1.2952	1.0147
Add (deduct)/back: Adjustment to fair value of investments	**(208,739)**	(644,457)	112,329
NAV per Share reported on the CISE	**1.1061**	1.2710	1.0189

16 RELATED PARTY TRANSACTIONS

Included within dividend income are amounts of £413,021 (2013:£393,463) from Column Holdings Limited, £846,479 (2013:£988,437) from Commerce Holdings Limited and £ Nil (2012: £46,519) from Legis Group Holdings Limited. Column Holdings Limited and Commerce Holdings Limited are 100% owned by Bailiwick Property Holdings Limited and have directors which are common to the Company.

Also included within dividend income is an amount of £159,127(2013:£329,483) in respect of the preference share dividend from Legis Group Holdings Limited, an investee company of which the Group owns 50.1% of the equity shares in issue, £112,500 of which is outstanding at 31 October 2014 (2013:£329,483).

Loans to subsidiaries are detailed in note 17. Included within bond interest is £163,995 (2013:£165,122) in respect of loan interest from Commerce Holdings Limited.

Details of the Directors fees are disclosed in note 4.

17 INVESTMENT IN SUBSIDIARIES

	Date of Incorporation/Acquisition	Domicile	Ownership
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%
Commerce Holdings Limited	4 February 2009	Guernsey	100%
Legis Group Holdings Limited	24 March 2011	Guernsey	49.424%

Bailiwick Property Holdings Limited owns 100% of the issued share capital of Column Holdings Limited and Commerce Holdings Limited.

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

Included with the fair value of the investment in Commerce Holdings Limited is a loan from Bailiwick Property Holdings Limited to Commerce Holdings Limited of £2,733,247 which is unsecured, repayable on demand and earns interest at the rate of 6% per annum.

Included with the fair value of the investment in Bailiwick Investment Holdings Limited is a loan from Bailiwick Property Holdings Limited to Commerce Holdings Limited of £214,227 which is unsecured, interest free and repayable on demand.

The investments into the share capital of Column Holdings Limited and Commerce Holdings Limited are pledged under the loan agreement with The Royal Bank of Scotland International Limited (Note 9).

During the year the ownership of Legis Group Holdings Limited reduced from 50.1% to 49.424%.

18 EARNINGS PER SHARE

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

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

19 ULTIMATE CONTROLLING PARTY

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

20 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

21 EVENTS AFTER THE REPORTING DATE

Subsequent events have been evaluated through to 12 February 2015, which is the date the financial statements were available to be issued.

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.

A dividend of 3 pence per share was announced on 5 December 2014 and was paid to shareholders on 5 January

On 1 December 2014 Legis Group Holdings Limited sold 90% of its Fund Business to Orangefield B.V. The Group received proceeds of £2,609,672 in December 2014; and a deferred payment based on net assets is due in 2015.

On 11 December £1,500,000 was received for the repayment of the preference shares in Legis Group Holdings Limited.

On 16 December 2014 the Company admitted 7,114,650 ordinary shares of no par value to the Official List of the Channel Islands Securities Exchange Authority Ltd. On 22 December 2014 the number of shares admitted was reduced by 751,000 shares. The total number of ordinary no par value shares now listed on the Exchange is 32,963,650 which is an increase of 6,363,650 shares . The shares per placed at a price of £1.10 and the total amount raised was £7,000,015.

On 19 December 2014 the Group acquired a minority stake a minority stake in an investor grouping which has acquired the Jacksons CI group, which includes the Jacksons and Motor Mall dealerships in Jersey and Guernsey, Trinity Tyres in Jersey and St Martins Tyres in Guernsey. A cell of Ravenscroft Investments PCC Limited (“RIPL”) acquired the businesses and operating assets, including premises, which together make up the Jackson CI group. The price paid was £41 million and consideration was satisfied by way of £40 million in cash and the issue of £1 million in shares of RIPL. RIPL is an investment vehicle which is backed by various high net worth clients of Ravenscroft Limited and it is through this vehicle that the Group acquired its investment in the Jacksons CI group. As a result of this transaction the Group owns 36% of the capital of RIPL. The cost of the investment made by the Group was £9,650,000

BAILIWICK INVESTMENTS LIMITED
PORTFOLIO STATEMENT
31 OCTOBER 2014

	2014	
	Nominal holding	**Fair value £**
Investment in subsidiaries - 75.41%		
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 - 20.55%		
Construction - 13.24%		
Breedon Aggregates Limited Ord NPV	**6,000,000**	**2,602,800**
Financial services - 0.33%		
Channel Islands Stock Exchange Ord GBP0.10	**242,666**	**121,333**
Channel Islands Securities Exchange Ord GBP1.00	**325,000**	**406,250**
Utilities - 5.89%		
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

	2013	
	Nominal holding	**Fair value £**
Investment in subsidiaries - 56.20%		
Column Holdings Limited Ord *	2	6,845,369
Commerce Holdings Limited Ord *	10,080	16,726,958
Legis Group Holdings Limited 'A' Ord	100,200	10,836,803
Total investment in subsidiaries		34,409,130
Interest bearing investments - 6.99%		
Other funds - 6.99%		
Legis Group Holdings Limited 'D' Preference Shares	2,932,130	2,932,130
Total interest bearing investments		2,932,130
Equities - 36.81%		
Construction - 31.75%		
Breedon Aggregates Limited Ord NPV	7,000,000	2,485,000
Financial services - 0.29%		
Channel Islands Stock Exchange Ord GBP0.10	242,666	121,333
Utilities - 4.77%		
Jersey Electricity Company 'A' Ord GBP0.05	500,000	1,525,000
Jersey Water Ord GBP0.50	100,000	475,000
Total equities		4,606,333
Derivatives - 0.00%		
Base rate cap agreement		60
		41,947,653

	2012	
	Nominal holding	Fair value £
Equity securities - 11.19%		
Construction - 5.12%		
Breedon Aggregates Limited Ord NPV	8,600,000	1,806,000
Financial services - 2.75%		
Channel Islands Stock Exchange Ord GBP0.10	242,666	970,664
Utilities - 4.67%		
Jersey Electricity Company 'A' Ord GBP0.05	415,000	1,172,375
Jersey Water Ord GBP0.50	100,000	475,000
Total equity securities		4,424,039
Interest bearing investments - 11.15%		
Financial services - 11.15%		
Landeskreditbank Baden-Wurttemberg 2.5% MTN 7/12/2012	1,000,000	1,001,600
Legis Group Holdings Limited 'D' Preference Shares	2,932,130	2,932,130
Total interest bearing investments		3,933,730
Other investments - 76.31%		
Column Holdings Limited Ord *	2	6,473,769
Commerce Holdings Limited Ord *	10,080	16,893,479
Legis Group Holdings Limited 'A' Ord	110,000	3,558,460
Total other investments		26,925,708
Derivatives - 0.00%		
Base rate cap agreement		1,336
		35,284,813

* The investments into the share capital of Column Holdings Limited and Commerce Holdings Limited are pledged under the loan agreement with The Royal Bank of Scotland International Limited (Note 9).

Appendix 2
Directors' Report and Consolidated Financial Statements of Sandpiper for the year ended 31 January 2015

Sandpiper Topco Limited

Registered number 97651

Directors' Report and Consolidated Financial Statements

for the year ended 31 January 2015

Contents

Directors' Report

The Directors present their Directors' Report and Consolidated Financial Statements for the year ended 31 January 2015.

Principal activities

The Company is the parent undertaking of a Group which is principally engaged in the operation of convenience stores and other retail outlets in the Channel Islands, together with the wholesaling of food products.

Financial instruments

Details of the use by the Company and its subsidiaries of financial instruments can be found in the notes to the consolidated accounts.

Results

The results for the period are set out on page 8.

Dividends

The Directors do not propose the payment of a dividend in respect of the financial period (2014: £Nil).

Employment policies

The Group strives to meet its business objectives by motivating and encouraging its employees to be responsive to the needs of its customers and to continually improve operational performance. The Group is committed to providing equality of opportunity to employees and potential employees. This applies to appropriate training, career development and promotion for all employees, regardless of physical ability, gender, sexual orientation, religion, age or ethnic origin.

Full and fair consideration is given to applications for employment received from disabled persons, according to their skills and capabilities. The services of any existing employee disabled during their period of employment are retained wherever possible.

Directors and interests in shares

The Directors who served throughout the period and up to the date of signing these accounts were as follows:-

NGH Manns
ATJ O'Neill
SJ Thornton
SJA Harrison
J Waterous
J Lawford

Directors' Report *(continued)*

The Directors who held office at the end of the financial period had the following interests in the ordinary shares of Group companies according to the register of directors' interests:

	Company	Class of share	Interest at end of period	Interest at start of period
ATJ O'Neill	Sandpiper Topco Limited	"A" Ordinary Shares	242,375	242,375
SJA Harrison	Sandpiper Topco Limited	"A" Ordinary Shares	121,188	121,188

None of the other Directors who held office at the end of the financial period had any disclosable interest in the shares of Group companies.

Political and charitable contributions

Donations to charities amounted to £7,235 (2014: £5,012).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

As the Company has dispensed with the holding of an Annual General meeting pursuant to Paragraph (4) Article 87, BDO LLP as auditors in office shall continue to act and be deemed re-appointed until removed, or until the Company in general meeting resolves that the appointment of the auditors be brought to an end.

By order of the board

SJ Harrison

SJA Harrison
Secretary

Registered Office:
1-3 L'Avenue Le Bas
Longueville
St Saviour
Jersey
JE4 8NB

29. April 2015

Statement of Directors' Responsibilities in respect of the Directors' Report and the Consolidated Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial period under the companies (Jersey) Law 1991. As permitted under that law, the Directors have elected to prepare the Group and the parent Company financial statements in accordance with UK Accounting Standards and applicable law.

The Group and parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Group and the parent Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDPIPER TOPCO LIMITED

We have audited the Group and parent Company financial statements of Sandpiper Topco Limited for the year ended 31 January 2015 which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the reconciliations of movements in shareholders' funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDPIPER TOPCO LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Malcolm Thixton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom 5\5\2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated profit and loss account
for the year ended 31 January 2015

	Note	2015 52 weeks £'000	2014 53 weeks £'000
Turnover	*2*	**173,132**	176,847
Cost of sales		**(166,264)**	(168,971)
Gross profit		**6,868**	7,876
Administrative expenses		**(6,229)**	(6,115)
Impairment of goodwill		**(1,833)**	-
Operating (loss)/profit	*2,3*	**(1,194)**	1,761
Loss on closure of bakeries		-	(4,384)
Profit on sale of hotel		-	557
Profit on disposal of fixed assets		**2,421**	-
(Loss)/Profit on ordinary activities before finance charges		1,227	(2,066)
Finance charges (net)	*6*	**(34,267)**	(30,830)
Loss on ordinary activities before taxation		**(33,040)**	(32,896)
Tax on loss on ordinary activities	*8*	**150**	85
Loss for the financial period		**(32,890)**	(32,811)

All amounts relate to continuing activities.

The notes on pages 14 to 38 form part of these accounts.

Consolidated statement of total recognised gains and losses
for the year ended 31 January 2015

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Loss for the financial period	**(32,890)**	(32,811)
Actuarial gain/(loss) relating to the pension schemes	**(2,441)**	442
Total recognised losses relating to the financial period	**(35,331)**	(32,369)

Consolidated note of historical cost profits and losses
for the period ended 31 January 2015

There is no difference between the results reported in the Consolidated Profit and Loss Account and those recognised under the historical cost convention for the periods ended 31 January 2015 or 1 February 2014.

The notes on pages 14 to 38 form part of these accounts.

Consolidated balance sheet
At 31January 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Goodwill	9	**28,291**		32,534	
Other intangible assets	10	**71**		-	
Tangible assets	11	**34,826**		41,207	
Investments	12	**2**		2	
			63,190		73,743
Current assets					
Stocks	13	**10,009**		10,473	
Debtors	14	**6,103**		5,612	
Cash at bank and in hand		**1,910**		10,455	
		18,022		26,540	
Creditors: amounts falling due within one year	15	**(23,178)**		(23,001)	
Net current assets/(liabilities)			**(5,156)**		3,539
Total assets less current liabilities			**58,034**		77,282
Creditors: amounts falling due after more than one year	16		**(257,402)**		(243,420)
Provisions for liabilities	17		**(988)**		(1,153)
Net liabilities excluding pension (liability)/asset			**(200,356)**		(167,291)
Net pension (liability)/asset	23		**(1,139)**		1,127
Net liabilities including pension (liability)/asset			**(201,495)**		(166,164)
Capital and reserves					
Called up share capital	19		**-**		-
Share premium account	20		**6,821**		6,821
Reserved shares	20		**104**		104
Profit and loss account	20		**(208,420)**		(173,089)
Shareholders' deficit			**(201,495)**		(166,164)

These financial statements were approved by the board of Directors on 29 April 2015 and were signed on its behalf by

ATON

ATJ O'Neill
Director

The notes on pages 14 to 38 form part of these accounts.

Company balance sheet
At 31January 2015

	Note	2015 £'000	2014 £'000
Current assets			
Debtors	14	274,457	243,150
Creditors: amounts falling due within one year	15	(23)	(23)
Net current assets		274,434	243,127
Creditors: amounts falling due after more than one year	16	(242,280)	(219,007)
Net assets excluding pension asset		32,154	24,120
Net pension (liability)/asset	23	(1,139)	1,127
Net assets		31,015	25,247
Capital and reserves			
Called up share capital	19	-	-
Share premium account	20	6,821	6,821
Reserved shares	20	104	104
Profit and loss account	20	24,090	18,322
Shareholders' funds		31,015	25,247

These financial statements were approved by the board of directors on 29 April 2015 and were signed on its behalf by:

ATJ O'Neill
Director

The notes on pages 14 to 38 form part of these accounts

Reconciliations of movements in shareholders' funds
for the period ended 31January 2015

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
(Loss)/profit for the financial period	(32,890)	8,209	(32,811)	7,365
Other recognised gains and losses	(2,441)	(2,441)	442	442
Total movement in the period	(35,331)	5,768	(32,369)	7,807
Opening shareholders' (deficit)/funds	(166,164)	25,247	(133,795)	17,440
Closing shareholders' (deficit)/funds	(201,495)	31,015	(166,164)	25,247

The notes on pages 14 to 38 form part of these accounts

Consolidated cash flow statement
for the period ended 31January 2015

	Note	2015 52 weeks £'000	2014 53 weeks £'000
Cash flow statement			
Cash flow from operating activities	*24*	**5,955**	5,671
Returns on investments and servicing of finance	*25*	**(1,095)**	(1,127)
Taxation (paid)/received		**(12)**	(33)
Capital expenditure and financial investment	*25*	**5,211**	6,630
Cash inflow before financing		**10,059**	11,141
Financing	*25*	**(20,037)**	(4,111)
(Decrease)/Increase in cash in the period		**(9,978)**	7,030
Reconciliation of net cash flow to movement in net debt	*26*		
(Decrease)/Increase in cash in the period		(9,978)	7,030
Cash outflow from decrease in debt		**20,249**	4,111
Change in net debt resulting from cash flows		**10,271**	11,141
Capitalised interest on subordinated loans		**(33,273)**	(29,513)
Amortisation of debt issue costs		**(182)**	(165)
Effects of exchange		**(105)**	-
Movement in net debt in the period		**(23,289)**	(18,537)
Net debt at start of period		**(236,881)**	(218,344)
Net debt at the end of period		**(260,170)**	(236,881)

The notes on pages 14 to 38 form part of these accounts.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. Comparative figures for creditors have been restated to include £1,153,000 as provisions, as this better reflects the nature of the liability.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 January 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Going Concern

The Directors consider that the Group and the Company have adequate resources to remain in operation for the foreseeable future. In addition based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For these reasons the Group continues to adopt the going concern basis in preparing its financial statements.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life which has been estimated at 20 years. In the first full year following an acquisition the carrying value of goodwill is reviewed for impairment. Thereafter, further reviews are performed when events or circumstances indicate that the carrying value may not be appropriate. Any impairment charge is included within operating profits unless otherwise stated.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provisions for impairment.

Other intangible assets

Other intangible assets comprise the rights to operate coffee shops under the Costa brand in certain territories within Spain and Gibraltar. These are being amortised over 5 years, the period for which the Group has the rights.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies *(continued)*

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental cost of acquisition.

Depreciation
Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets (excluding investment properties and freehold land) less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. Residual values are calculated on prices prevailing at the date of acquisition or revaluation.

Land & Buildings
Freehold land is not depreciated. Freehold buildings are depreciated over 15-50 years on an individual appraisal basis. Interests in leasehold land and buildings are depreciated over the shorter of the un-expired portion of the lease or the expected useful life of the property, that not being more than 50 years.

Other Assets

Plant & Machinery	Straight line basis between 1 and 15 years
Fixtures & Fittings	Straight line basis between 1 and 25 years
Computer Equipment	Straight line basis between 1 and 10 years
Motor vehicles	Straight line basis between 3 and 5 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are included within creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the consolidated profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance charges or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the consolidated statement of total recognised gains and losses.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Pension Costs (Continued)

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resultant defined benefit asset or liability, net of related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Stocks

Stock and work in progress is stated at the lower of cost and net realisable value. Cost includes direct materials and labour and also those overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred prior to disposal. Provision is made for slow moving or defective items where appropriate.

Taxation

The charge for current tax (including foreign tax) is based on the profit for the period as adjusted for tax purposes. During 2009 the States of Jersey introduced a "zero/ten" tax system. Under this new regime individual companies within the Sandpiper Group will pay a standard rate of corporation tax of 0%, although certain types of income will remain subject to taxation at different rates.

Investments

Investments are stated at cost less provision for any impairment in value.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the net proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Issue costs of debt instruments are deducted from the gross proceeds received for the purposes of initial recognition in the balance sheet and are subsequently amortised in the profit and loss account within interest payable and similar charges so as to reflect a constant rate of charge on the carrying value of the related instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Classification of financial instruments issued by the Group (continued)

The Group uses interest rate swaps to manage its exposure to interest rate risk. Net amounts payable or receivable in respect of these swap arrangements are accrued over the period of the contract.

Turnover

Turnover, which excludes sales between Group companies, represents the value of goods and services supplied, net of refunds and discounts given to customers.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2 Segment information

Turnover

By geographical market:

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Channel Islands	**172,480**	176,847
Spain	**652**	-
	173,132	176,847

In 2015 turnover by destination was the same as that by origin. In 2014 £477,000 of the total turnover was destined to UK sales.

Notes (continued)
(forming part of the financial statements)

2 Segment information (continued)

Turnover

By business segment:	**52 weeks to 31 January 2015 £'000**	53 weeks to 1 February 2014 £'000
Retail	**154,628**	153,577
Manufacturing & Distribution and Hotels	**18,504**	23,270
	173,132	176,847

In the 53 week period to 1 February 2014 the Group sold its remaining hotel and closed its bakery business. The results of these operations are disclosed within the Manufacturing & Distribution and Hotels segment.

Excluded from the above tables is inter segmental turnover of £3,624,000 (2014: £4,463,000) from the Manufacturing & Distribution business segment to the retail business segment and within its own segment

Operating profit and profit before taxation

By business segment:	**52 weeks to 31 January 2015 £'000**	53 weeks to 1 February 2014 £'000
Retail	**6,044**	7,545
Manufacturing & Distribution and Hotels	**555**	(100)
Shared Service costs (net)	**(3,469)**	(2,971)
Goodwill amortisation	**(2,410)**	(2,545)
Impairment of goodwill	**(1,833)**	-
Operating exceptional items	**(81)**	(168)
Operating profit	**(1,194)**	1,761
Profit on sale of hotel	-	557
Loss on closure of bakeries	-	(4,384)
Profit on sale of fixed assets	**2,421**	-
Net interest and other finance charges	**(34,267)**	(30,830)
Loss on ordinary activities before taxation	**(33,040)**	(32,896)

Notes (continued)

(forming part of the financial statements)

2 Segment information (continued)

Consolidated net liabilities

By geographical location:

	31 January 2015 £'000	1 February 2014 £'000
Channel Islands	**61,296**	81,472
Spain	**(543)**	-
Interest bearing liabilities	**(262,410)**	(247,636)
	(201,657)	(166,164)

By business segment:

	31 January 2015 £'000	1 February 2014 £'000
Retail	**54,204**	66,182
Manufacturing & Distribution and Hotels	**6,745**	6,059
Shared Services	**(196)**	9,231
Interest bearing liabilities	**(262,410)**	(247,636)
	(201,657)	(166,164)

3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/ (crediting):

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Depreciation of tangible fixed assets:		
- owned	**3,269**	3,898
- leased	**237**	223
Amortisation of goodwill	**2,410**	2,545
Amortisation of intangibles	**14**	-
Impairment of Goodwill on closure of bakeries	-	2,803
Impairment of Goodwill	**1,833**	-
-Other costs relating to the closure of bakeries	-	1,222
Operating lease rentals:		
- plant and machinery	**52**	46
- other	**6,628**	6,472
Auditor's remuneration	**86**	83

Notes (continued)
(forming part of the financial statements)

4 Remuneration of Directors

	52 weeks to 31 January 2015	53 weeks to 1 February 2014
	£'000	£'000
Directors' fees and emoluments	**1,000**	957
Company contributions to money purchase schemes	**51**	51
	1,051	1,008

Retirement benefits are accruing to two (2014: two) Directors under money purchase pension arrangements.

5 Staff numbers and costs

The average number of persons employed by the Group and Company (including executive directors) during the period, analysed by category, was as follows:

	52 weeks to 31 January 2015		53 weeks to 1 February 2014	
	Number of employees		Number of employees	
	Group	**Company**	Group	Company
Full time	**700**	**2**	798	2
Part time	**277**	**-**	328	-
	977	**2**	1,126	2

The aggregate payroll costs of these persons were as follows:

	52 weeks to 31 January 2015		53 weeks to 1 February 2014	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Wages and salaries	**21,252**	-	23,240	-
Defined benefit pension scheme	**-**	-	(426)	-
Defined contribution pension scheme	**300**	-	286	-
	21,552	-	23,100	-

The emoluments of the Directors of the Company have been recharged in full to Group undertakings.

Notes (continued)
(forming part of the financial statements)

6 Finance charges (net)

	52 weeks to 31 January 2014 £'000	53 weeks to 1 February 2014 £'000
Interest payable and similar charges	**34,386**	30,844
Less: Bank interest receivable and similar income	**(44)**	(29)
Net return on pension scheme (see note 23)	**(75)**	15
	34,267	30,830

Interest payable and similar charges

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Bank loans and overdrafts	931	1,166
Subordinated loans	33,273	29,513
	34,204	30,679
Amortisation of debt issue costs	182	165
	34,386	30,844

7 Profit attributable to the company

The profit for the financial period dealt within the financial statements of the parent Company was £8,209,000 (2014: £7,365,000). The company has taken advantage of the exemption allowed under Companies (Jersey) Law 1991 and no separate profit and loss account is presented in respect of the parent Company.

8 Tax on profit on ordinary activities

The tax charge comprises:

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Current tax		
Channel Islands tax	**253**	287
UK tax	**12**	12
Adjustments in respect of prior periods		
- Channel Islands tax	**(415)**	(384)
Total tax on loss on ordinary activities	**(150)**	(85)

8 Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rates of Channel Islands income tax to the profit before tax is as follows:

	52 weeks to 31 January 2015 £'000	53 weeks to 1 February 2014 £'000
Loss on ordinary activities before tax	**(33,040)**	(32,896)
Tax on Group loss on ordinary activities at standard Channel Islands income tax rate of 0% (2014: 0%)	**-**	-
Effects of:		
Rental income taxable at 20%	**253**	287
Higher tax rates on overseas earnings	**12**	12
Adjustments in respect of prior periods	**(415)**	(384)
Group current tax charge/(credit) for the period	**(150)**	(85)

9 Goodwill

Group

	£'000
Cost	
At 1 February 2014	48,198
At 31 January 2015	48,198
Amortisation	
At 1 February 2014	15,664
Charge for the period	2,410
Impairment charge	1,833
At 31 January 2015	19,907
Net book value At 31 January 2015	**28,291**
Net book value At 1 February 2014	32,534

10 Other intangible assets

Group

	£'000
Cost	
At 1 February 2014	-
Additions	90
Exchange differences	(5)
At 31 January 2015	85
Amortisation	
At 1 February 2014	-
Charge for the period	14
At 31 January 2015	71
Net book value At 31 January 2015	**71**
Net book value At 1 February 2014	-

Other intangible assets comprise of the rights to operate coffee shops under the Costa Brand in certain territories within Spain and Gibraltar.

Notes (continued)

(forming part of the financial statements)

11 Tangible fixed assets

Group	Land & Buildings		Other Assets	Total
	Freehold £'000	Leasehold £'000	£'000	£'000
Cost				
At 1 February 2014	29,608	2,761	22,545	54,914
Additions	1,584	-	2,569	4,153
Exchange differences	-	-	(41)	(41)
Disposals	(7,360)	-	-	(7,360)
At 31 January 2015	23,832	2,761	25,073	51,666
Depreciation				
At 1 February 2014	880	1,012	11,815	13,707
Charge for the period	175	237	3,099	3,511
Exchange differences	-	-	(5)	(5)
Disposals	(373)	-	-	(373)
At 31 January 2015	682	1,249	14,909	16,840
Net Book Value At 31 January 2015	**23,150**	**1,512**	**10,164**	**34,826**
Net Book Value At 1 February 2014	28,728	1,749	10,730	41,207

12 Fixed asset investments

Group	Other investments £'000
Cost	
At 31 January 2015 and 1 February 2014	**2**

Company	Shares in Group undertakings £'000
Cost	
At 31 January 2015 and 1 February 2014	-

Shares in respect of the Company amounted to £333 (2014: £333)

13 Stock and work in progress

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Finished goods and goods for resale	10,009	-	10,473	-
	10,009	-	10,473	-

14 Debtors

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Trade debtors	3,152	-	3,162	-
Amounts owed by Group undertakings	-	274,457	-	243,150
Other debtors	1,451	-	890	-
Prepayments and accrued income	1,500	-	1,560	-
	6,103	274,457	5,612	243,150

15 Creditors: amounts falling due within one year

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Bank overdrafts	2,165	-	627	-
Bank loans	2,513	-	3,289	-
Trade creditors	11,554	-	11,370	-
Taxation and social security	2,431	23	2,668	23
Other creditors	2,343	-	2,074	-
Accruals and deferred income	2,172	-	2,973	-
	23,178	23	23,001	23

16 Creditors: amounts falling due after more than one year

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Bank loans	15,122	-	24,413	-
Other loans	242,280	242,280	219,007	219,007
	257,402	242,280	243,420	219,007

17 Provisions for liabilities

Group

	Insurance £'000	Vacant Property £'000	Dilapidations £'000	Total £'000
At 1 February 2014	187	641	325	1,153
Charged to profit and loss account	-	117	-	117
Released unused	(117)	-	-	(117)
Utilisation of provision	(70)	(125)	-	(195)
Unwinding of discount	-	30	-	30
At 31 January 2015	-	663	325	988

The company had £nil provisions for liabilities (2014: £nil).

The insurance provision represented the Group's anticipated future costs under an element of self-insurance in prior years. The deadline for claims has now expired and all claims received up to that deadline have now been finalised.

The vacant property provision represents the Group's anticipated future costs on long leasehold property which is no longer used to generate cash flows in the business.

The dilapidations provision represents the Group's anticipated liability for making good certain leasehold property, as detailed in the respective leases, when the lease term on these properties expires.

Notes (continued)
(forming part of the financial statements)

18 Analysis of debt

Excluding overdrafts:

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Debt can be analysed as falling due:				
In one year or less, or on demand	**2,513**	**-**	3,289	-
Between one and two years	**2,641**	**-**	3,457	-
Between two and five years	**255,091**	**242,280**	240,263	219,007
	260,245	**242,280**	247,009	219,007
Unamortised debt issue costs	**(330)**	**-**	(300)	-
	259,915	**242,280**	246,709	219,007

Debt comprises bank loans and subordinated loans. The bank loans are secured by way of a variety of charges over properties, insurance policies, bank accounts and other assets owned by the Group and charges over the shares of the Company and its subsidiary undertakings. The rights of the lenders under the subordinated loans rank behind those of the providers of the principal bank loan finance and the rights of interest rate hedging counterparties.

19 Called up share capital

	£'000
Allotted, called up and fully paid no par value shares:	
727,126 (2013: 727,126) 'A' Ordinary shares of £1 each	-
6,094,000 (2013: 6,094,000) 'B' Ordinary shares of £1 each	-
	-

In accordance with the requirements of Jersey law, a nominal value of £nil is ascribed to the shares in issue, with the proceeds of issue being credited to the share premium account as shown below.

Notes (continued)
(forming part of the financial statements)

20 Share premium and reserves

Group	Reserved shares £'000	Share premium account £'000	Profit and loss account £'000
At 1 February 2014	104	6,821	(173,089)
Loss for the period	-	-	(32,890)
Actuarial loss recognised in the pension schemes	-	-	(2,441)
At 31 January 2015	**104**	**6,821**	**(208,420)**

Company	Reserved shares £'000	Share premium account £'000	Profit and loss account £'000
At 1 February 2014	104	6,821	18,322
Profit for the period	-	-	8,209
Actuarial loss recognised in the pension schemes	-	-	(2,441)
At 31 January 2015	**104**	**6,821**	**24,090**

The reserved shares represent 103,874 (2014: 103,874) 'A' Ordinary £1 shares which may be allotted to management or employees of the Group at the discretion of the Company's Remuneration Committee, subject to the consent of the Company's lead investors.

The 'A' and 'B' Ordinary shares rank pari passu in all respects as to voting rights, dividends and amounts receivable on a winding up and have been classified as equity shares for the purposes of these financial statements.

All of the Company's expenses during the period were recharged to Group undertakings.

21 Contingent liabilities

At 31 January 2015 the Group had a contingent liability for guarantees provided by its principal bank totalling £590,000 (2014: £2,190,000) in respect of guarantees issued to third parties.

22 Commitments

(a) Capital commitments at the end of the financial period, for which no provision has been made, were as follows:

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Contracted	1,144	-	167	-

(b) Annual commitments under non-cancellable operating leases were as follows:

Group	2015 Land and Buildings £'000	2015 Other £'000	2014 Land and Buildings £'000	2014 Other £'000
Operating leases which expire:				
Within one year	229	15	133	2
In the second to fifth years inclusive	662	9	410	45
Over five years	5,950	-	5,811	-
	6,841	24	6,354	47

The Company had no operating lease commitments at 31 January 2015 and 1 February 2014.

Notes (continued)
(forming part of the financial statements)

23 Pensions

The Group operates one defined contribution scheme and three defined benefit pension schemes in respect of certain of its Channel Islands' employees. Following the acquisition of the C.I. Traders Limited group, Sandpiper Topco Limited became the principal employer of the three defined benefit schemes.

Provision for the cost of the benefits provided to employees under these schemes is charged to the profit and loss account over the average remaining future service lives of the eligible employees. Details of the defined benefit schemes are as follows:

Ann Street Group Limited Staff Pension and Life Assurance Scheme ("Ann Street Scheme 1")
Bass (Channel Islands) Limited Employees' Security Plan ("Ann Street Scheme 2")
Bucktrout & Company Limited Pension and Life Assurance Fund ("Bucktrout Scheme")

No employees have joined the Ann Street Scheme 2 subsequent to the business of Bass (Channel Islands) Limited being acquired in 2001 and there have been no further contributions since that date.

As at 31 December 2001 all active members of the scheme joined the Ann Street Scheme 1 in respect of subsequent service.

The three defined benefit schemes were closed to both new and existing members at 31 December 2005, thereby ceasing the accrual of additional benefits for existing members relating to future service from that date onwards. Contributions of £100,000 are expected to be paid into the schemes in the next financial period.

The most recent actuarial valuations were as of the following dates:

Ann Street Scheme 1	1 January 2011
Ann Street Scheme 2	1 April 2011
Bucktrout Scheme	1 January 2011

The schemes have been reviewed by independent actuaries to support the accounting and disclosure requirements of FRS17 as at 31 January 2015, using the following assumptions:

	52 weeks to 31 January 2015	53 weeks to 1 February 2014
Rate of increase in pensions in payment	**2.1% to 3.0%**	2.7% to 3.0%
Discount rate	**2.90%**	4.20%
Inflation assumption	**2.55%**	3.90%

Notes (continued)
(forming part of the financial statements)

23 Pensions (continued)

Mortality assumptions regarding future life expectancies at age 65 for males and age 60 for females in respect of all three schemes:

Male currently aged 45	**24 years**	24 years
Female currently aged 40	**31 years**	31 years
Male currently aged 65	**22 years**	22 years
Female currently aged 60	**29 years**	29 years

The disclosures have been made on a combined basis for all three schemes.

The Group contributed £300,000 (2014: £307,000) to one defined contribution pension scheme in respect of Channel Islands and United Kingdom employees.

The following table details the value of the assets and liabilities of the schemes noted above:

	Percentage of total assets %	**Value at 31 January 2015** £'000	Percentage of total assets %	Value at 1 February 2014 £'000
Insurance policy	**35.31**	**5,370**	35.52	5,389
Equities	**16.95**	**2,578**	15.36	2,331
Gilts	**2.39**	**364**	2.21	335
Corporate Bonds	**9.73**	**1,479**	9.32	1,414
Gilt strips	**26.25**	**3,992**	28.77	4,366
Other	**0.32**	**49**	0.34	51
Cash	**9.05**	**1,376**	8.48	1,287
	100.00	**15,208**	100.00	15,173
Present value of scheme liabilities		**(16,347)**		(14,046)
Pension (liability)/asset		**(1,139)**		1,127

The net pension liability consists of deficits in two schemes and a surplus in the third as follows: Ann Street 1 Scheme surplus £561,000 (2014: surplus £1,873,000). Ann Street 2 scheme deficit £1,054,000 (2014: deficit £1,298,000). Bucktrout Scheme deficit £646,000 (2014: surplus £552,000).

Notes (continued)
(forming part of the financial statements)

23 Pensions (continued)

The total pension cost was as follows:

Amounts credited to operating profit

	2015 Group and Company £'000	2014 Group and Company £'000
- Current service credit	-	426
- Past service credit	100	100
Total credit to operating profit	-	526

Amounts charged to net finance charges

	2015 Group and Company £'000	2014 Group and Company £'000
- Expected return on pension scheme assets	642	606
- Interest on pension scheme liabilities	(567)	(621)
Total credit/(charge) to net finance charges	75	(15)

Amounts recognised in the Consolidated Statement of Total Recognised Gains and Losses (STRGL)

	2015 Group and Company £'000	2014 Group and Company £'000
Difference between expected return and actual return on pension scheme assets	262	153
Experience (loss)/gain arising on the scheme liabilities	(2,703)	289
Actuarial gain/(loss) recognised in the consolidated STRGL	(2,441)	442

Notes (continued)

(forming part of the financial statements)

23 Pensions (continued)

History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of schemes' assets	**15,208**	15,173	15,653	16,597	16,837
Present value of scheme liabilities	**(16,347)**	(14,046)	(15,479)	(15,721)	(14,101)
Surplus in the schemes	**1,139**	1,127	174	876	2,736
Difference between expected and actual return on scheme assets	**262**	153	269	(375)	445
Experience (loss)/gain arising on the scheme liabilities	**(2,703)**	289	(930)	(1,531)	119

Movement in surplus during the period

	2015 Group and Company £'000	2014 Group and Company £'000
Opening surplus of the schemes	**1,127**	174
Interest on pension scheme liabilities	**(567)**	(621)
Expected return on pension scheme assets	**642**	606
Employer contributions	**100**	100
Past service credit	**-**	426
Actuarial (loss)/gain	**(2,441)**	442
Closing (deficit)/surplus of the schemes	**(1,139)**	1,127

Movement in the schemes' assets during the period

	2015 Group and Company £'000	2014 Group and Company £'000
Fair value of the schemes' assets brought forward	**15,173**	15,653
Benefits paid and expenses (where applicable)	**(969)**	(1,339)
Expected return on scheme assets	**642**	606
Employer contributions	**100**	100
Actuarial gain	**262**	153
Closing assets of the scheme	**15,208**	15,173

23 Pensions (continued)

Movement in the schemes' liabilities during the period

	2015 Group and Company £'000	2014 Group and Company £'000
Fair value of the schemes' liabilities brought forward	**(14,046)**	(15,479)
Benefits paid and expenses (where applicable)	**969**	1,339
Interest on pension schemes' liabilities	**(567)**	(621)
Past service credit	**-**	426
Actuarial (loss)/gain	**(2,703)**	289
Closing liabilities of the schemes	**(16,347)**	(14,046)

Composition of plan liabilities

	2015 Group and Company £'000	2014 Group and Company £'000
Schemes wholly or partly funded	**(16,347)**	(14,046)

Summary of combined experience gains and losses (for all three schemes)

	2015 Group and Company £'000	2014 Group and Company £'000
Differences between expected and actual return on schemes' assets		
Amount	**262**	153
Percentage of the present value of the combined schemes assets	**1.7%**	1.0%
Differences between expected and actual return on schemes' liabilities		
Amount	**(2,703)**	289
Percentage of the present value of combined schemes' liabilities	**16.5%**	(2.1%)
Total actuarial (loss)/gain recognised in the consolidated STRGL		
Amount	**(2,441)**	442
Percentage of the present value of combined schemes' liabilities	**(14.9%)**	(3.1%)

Notes (continued)

(forming part of the financial statements)

24 Reconciliation of operating profit to operating cash flows

	2015 £'000	2014 £'000
Group operating (loss)/profit	**(1,194)**	1,761
Loss on sale of Fixed Assets	**-**	3
Depreciation of tangible fixed assets	**3,511**	4,121
Impairment of goodwill	**1,833**	
Goodwill amortisation	**2,410**	2,545
Intangibles amortisation	**14**	-
Adjustment for pension funding	**-**	(526)
Cash impact of bakery closure	**-**	(1,222)
Decrease in stocks	**464**	682
(Increase)/Decrease in debtors	**(416)**	1,029
(Decrease) in creditors	**(471)**	(2,629)
(Decrease)/Increase in provisions	**(195)**	(93)
Net cash inflow from operating activities	**5,955**	5,671

25 Analysis of cash flows

	2015 £'000	2014 £'000
Returns on investment and servicing of finance		
Interest received	**44**	29
Interest paid	**(927)**	(1,156)
Debt issue costs	**(212)**	-
	(1,095)	(1,127)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	**(85)**	-
Purchase of tangible fixed assets	**(4,112)**	(3,315)
Proceeds from sale of fixed assets	**9,408**	9,945
	5,211	6,630
Financing		
Repayment of bank loans	**(10,037)**	(4,111)
Repayment of subordinated loans	**(10,000)**	-
	(20,037)	(4,111)

Notes (continued)
(forming part of the financial statements)

26 Analysis of net debt

	At beginning of period £'000	Cash flow £'000	Non-cash changes £'000	Foreign exchange £'000	Capitalised interest £'000	At end of period £'000
Cash at bank and in hand	10,455	(8,440)	-	(105)		**1,910**
Bank overdrafts	(627)	(1,538)	-	-		**(2,165)**
	9,828	(9,978)	-	(105)		**(255)**
Bank loans	(27,702)	10,249	(182)	-	-	**(17,635)**
Subordinated loans	(219,007)	10,000	-	-	(33,273)	**(242,280)**
	(246,709)	20,249	(182)	-	(33,273)	**(259,915)**
Net Debt	**(236,881)**	**10,271**	**(182)**	**(105)**	**(33,273)**	**(260,170)**

27 Financial instruments

The Group's objectives and policies as regards financial instruments are set out in the accounting policies note 1 and below. Short term debtors and creditors have been excluded from the following disclosures.

Interest rate profile of financial liabilities

	Fixed Rate 2015 £'000	Fixed Rate 2014 £'000	**Floating Rate 2015 £'000**	Floating Rate 2014 £'000	**Total 2015 £'000**	Total 2014 £'000
Group						
Bank overdrafts	-	-	**2,165**	627	**2,165**	627
Bank loans	-	-	**17,965**	28,002	**17,965**	28,002
Subordinated loans	**242,280**	219,007	-	-	**242,280**	219,007
	242,280	219,007	**20,130**	28,629	**262,410**	247,636
Unamortised debt issue costs					**(330)**	(300)
					262,080	247,336

The Company holds the subordinated loans. All of the Group's borrowings have been obtained through subsidiary undertakings and are denominated in sterling.

The floating rate liabilities bear interest at rates linked to the London Inter-Bank Offer Rate (LIBOR). The bank overdrafts are on 'set-off' with the group's cash balances.

Notes (continued)

(forming part of the financial statements)

27 Financial instruments (continued)

During the year the term of the Bank loans was extended by two years, now expiring on 27th June 2018. A one-off repayment was made during the year of £6,977,000 in addition to the quarterly amortisation of £3,060,000. Following the one-off repayment quarterly amortisation amounts have decreased, starting at £609,000 in January 2015 and rising steadily each quarter to £716,000 (2014: £891,000) in the last quarter of year seven, after which the remaining principal is payable in full.

Interest payments are subject to a CAP which limits the interest rate payable to 3.00% + margin on a proportion of the bank loans. This CAP agreement covers £28,125,000 of the bank loans up until 10th July 2014 and £18,750,000 of the bank loans thereafter until 27th June 2016 when this facility terminates.

The subordinated loans bear interest at a rate of 14.5% per annum which is compounded quarterly.

The maturity of the Group's financial liabilities is given in note 16.

The fair value of all the Group's financial liabilities at the period end is considered to be equal to book value. The fair value of the interest rate CAP at the period end was:

CAP Swap:	£108,000 payable by Sandpiper (2014: £168,000 payable by Sandpiper)

Operations trade in areas where Sterling or the Euro is the functional currency.

Certain operations of the Group import goods from other countries which are invoiced and payable in foreign currencies, principally Euros. The level of such purchases is not significant in the context of the Group as a whole. Foreign currency liabilities arising from these transactions were settled at the rate prevailing at the date of payment.

28 Related party disclosures

In the opinion of the Directors, the Company is not controlled by any single party, or any group of parties acting in concert, whether by formal or informal arrangement.

Notes (continued)
(forming part of the financial statements)

29 Principal subsidiaries

The Company is the beneficial owner of all the equity share capital of a number of companies, the principal ones being:-

Name	Place of incorporation and location of business	Principal activity
Continuing operations		
Citriche Limited	Jersey	Retail and distribution of consumer goods
G Orange & Co Limited	Jersey	Beverages & snacks distributors
Russell Meats Limited	Jersey	Processing butchers
G Orange (Guernsey) Limited	Guernsey	Beverages & snacks distributors

All the undertakings listed above are subsidiary undertakings.

A full list of subsidiary undertakings is available on application to the Company Secretary.

Appendix 3
Consolidated interim report and unaudited consolidated financial statements of the Company
(as at 30 September 2015)

Appendix 3
Consolidated interim report and unaudited consolidated financial statements of the Company
(as at 30 September 2015)

BAILIWICK INVESTMENTS

HALF YEARLY REPORT AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 30 APRIL 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) each of 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
Legal advisors	Collas Crill Glategny Court PO Box 140, Glategny Esplanade St. Peter Port Guernsey GY1 4EW
Registered Number	49479

Latest Net Asset Value Value ("NAV") as at 30th April 2015 was 113.96p (31 October 2014, 111.40p)

Current Share Price 112p - 116p

Performance overview

Ravenscroft Limited (the "Manager") is pleased to report that Bailiwick Investments Limited (the "Company") has continued to demonstrate an improving trading performance. The NAV of the Company has risen over the last six months by 2.3% after the payment of a final dividend of 3p per share, thus reflecting the positive trading performances of its underlying investments.

The Board has recommended the payment of an ordinary interim dividend of 2.25p per share (2014: 2.00p per share), which was paid on 19 June 2015.

The share price of the Company is now trading on a spread between 112p-116p with 1,430,300 shares having been traded on the secondary market from 1st November 2014 to 30th April 2015.

Portfolio review

Commercial property
During the period to 30 April 2015 both the occupational office and retail markets remained steady in respect of lettings and investment transactions. However, there have been recent signs of greater liquidity in the market with a number of significant transactions taking place. Carey House and Nelson House performed in line with expectations. After the reporting period, on 12 May 2015, the Company announced the sale of Carey House. This sale took place above the carrying value reflected in the annual accounts to 31 October 2014.

Private equity
The Company has been very active since the year-end in taking stakes in a number of local opportunities. These are included below: -

<u>ASG Group Limited</u>
On 26th November 2014 the Company announced the acquisition of ASG Group Limited ("ASG"). ASG is a well-established Guernsey based FBO ("fixed-base operator"), which operates out of over 41,000 square feet of modern hangars and offers a range of aeronautical services including aircraft maintenance and servicing, avionics support, complete aircraft handling, aircraft hangarage and aircraft management.

Following this acquisition, the founding shareholders of ASG, Mr Mark Parr, Mr Richard Parr and Mr Nigel Le Gallez, together retained a combined 25% shareholding in each of the operating subsidiaries (Aircraft Servicing (Guernsey) Limited, ASG (Flight Support) Limited, ASG Leasing Limited and Fly ASG Limited) alongside Mr Stephen Page who has also acquired a 25% shareholding in each of the operating subsidiaries. Stephen Page has been appointed as CEO and Mark Parr will remain as managing director of Aircraft Servicing (Guernsey) Limited.

<u>Jacksons CI Limited - Ravenscroft Investments PCC Limited, Octane Cell</u>
On 19 December 2014 the company announced that it had completed the acquisition of a minority stake in an investor grouping which has acquired the Jacksons CI group, which includes the Jacksons and Motor Mall dealerships in Jersey and Guernsey, Trinity Tyres in Jersey and St Martins Tyres in Guernsey.

A cell of Ravenscroft Investments PCC Limited ("RIPL") acquired the businesses and operating assets, including premises, which together make up the Jacksons CI group. The price paid was £41 million and consideration was satisfied by way of £40 million in cash and the issue of £1 million in shares of RIPL.

Portfolio review (continued)

The transaction was subject to the approval of the Jersey Competition Regulatory Authority and the Jersey Financial Services Commission. These approvals were received on 12th December 2014 and 16th December 2014 respectively.

RIPL is an investment vehicle which is backed by various high net worth clients of Ravenscroft Limited and it is through this vehicle that BIL acquired its investment in the Jacksons CI group. As a result of this transaction, BIL owns 36% of the capital of RIPL. The existing management team, led by Paul Collier, will remain and have the full support of RIPL in taking the business forward.

<u>Legis Group Holdings Limited ("Legis")</u>
The Bank of Butterfield made an offer for the Trust business of Legis, which was accepted and completed on 8th April 2014. The initial payment was received on this date and there will be further payments over the next two years, the size of which will depend on the continued trading performance and any warranty claims being brought.

The Company also sold down its interest in Legis Fund Services Limited to the Orangefield Group, this transaction was completed on 21 November 2014. The Company retains 10% of its investment in the fund administration business and its 15% holding in Legis Tax Services Limited. Both of these businesses continue to trade satisfactorily.

<u>Channel Islands Stock Exchange (“CISX”)</u>
On the 10th April 2015 there was a communication from Grant Thornton, in relation to the compulsory liquidation of the CISX, which indicated that there were outstanding claims that needed to be dealt prior to the finalisation of this process. The shares are presently trading at £0.50 and the Company currently owns 242,666 shares.

<u>Channel Islands Securities Exchange (“CISE”)</u>
CISE is an unquoted company which issues very little information on its own performance. The Investment Manager continues to believe that CISE has great potential and it is led by a capable and experienced management team and board. CISE has recently shown confidence in its future by opening a fully staffed office in Jersey.

<u>Guernsey Recycling</u>
After the present reporting period, on 7 May 2015, the Company announced that it had successfully completed a significant investment into Guernsey Recycling Limited. This additional investment has facilitated the acquisition of Island Waste Limited and gives BIL a 29.19% stake in what will now be known as the Guernsey Recycling Group.

<u>Acorn Group Holdings Limited</u>
On 30 June 2015 the Company announced that it had acquired a 25% interest in Acorn Group Holdings Limited ("Acorn"). Sealyham Investments Limited (Sealyham), a holding company for the Scott Family Office, has also acquired a 25% stake in Acorn, and the remaining 50% continues to be owned by Acorn’s Chief Executive Officer, Richard Harrop, who will continue to lead their senior management team.

Acorn is a profitable, well respected and market-leading Jersey based asset and consumer finance business, which has built up its reputation for client service over the last 12 years. At present it has a lending book of £35.6m and it is the intention of management to grow this significantly over the next few years. As a consequence, in addition to their equity investment set out above, the Company, Sealyham and clients of Ravenscroft Limited have agreed to provide future funding by subscribing for preference shares in Acorn.

Portfolio review (continued)

Other equities
The Company's holdings in Jersey Water and Jersey Electricity continue to contribute consistent returns as a result of their progressive dividend Policies. In addition, Jersey Electricity's stock has recently gone up in value to £4.45 per share (as at 30 June 2015) as a result of increased profitability due principally to cost savings brought about by installing the new submarine cable link with France, Normandie 3. Jersey Water's share price has also increased slightly to £6.25 (as at 30 June 2015) following improved trading over the period.

Breedon Aggregates continues to be one of the strongest investments in the portfolio, which is now trading at 48p per share (as at 30th June 2015). We expect continued strong performance throughout the rest of the year.

Conclusion

Together with the Board, the Investment Manager is committed to ensuring the active management of the investment portfolio. The Manager is exploring other investment opportunities which, if successfully concluded, will further diversify the portfolio.

The portfolio composition 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

BAILIWICK INVESTMENTS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2015

	Notes	1 Nov 2014 to 30 Apr 2015 £	1 Nov 2013 to 30 Apr 2014 £
Income			
Net gain on financial assets and liabilities at fair value through profit or loss	4	**1,026,610**	1,178,622
Dividend income		**1,416,106**	615,026
Bond interest		**93,652**	184,296
Bank interest income		-	4,614
		2,536,368	1,982,558
Expense			
Management fees		**169,288**	168,010
Loan interest expense		**204,206**	114,117
Administration and other expenses	3	**240,010**	101,196
		613,504	383,323
Profit and total comprehensive income for the period		**1,922,864**	1,599,235
Weighted average shares in issue during the period		**31,346,369**	26,600,000
Profit per Ordinary Share (basic and diluted)		**£0.06**	£0.06

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
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2015

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 November 2014	-	25,581,500	4,050,602	29,632,102
Proceeds from issue of ordinary shares	-	7,000,015	-	7,000,015
Expenses on issue of ordinary shares	-	(190,000)	-	(190,000)
Total comprehensive income for the period	-	-	1,922,864	1,922,864
Dividends	-	-	(798,000)	(798,000)
Balance at 30 April 2015	**-**	**32,391,515**	**5,175,466**	**37,566,981**

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 November 2013	-	25,581,500	8,871,191	34,452,691
Total comprehensive income for the period	-	-	1,599,235	1,599,235
Dividends	-	-	(798,000)	(798,000)
Balance at 30 April 2014	-	25,581,500	9,672,426	35,253,926

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

BAILIWICK INVESTMENTS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2015

	Notes	30 Apr 2015 £	31 Oct 2014 £
Assets			
Financial assets at fair value through profit or loss	4		
Investment in subsidiaries		**29,642,620**	30,303,633
Equities		**15,340,083**	5,315,383
Interest bearing investments		**-**	1,500,000
Due from broker		**10,992**	52,363
Other receivables and prepayments	5	**23,132**	114,456
Cash and cash equivalents		**3,566,681**	3,637,585
Total assets		**48,583,508**	40,923,420
Liabilities			
Borrowings	6	**10,912,485**	10,992,665
Other payables	7	**104,042**	298,653
Total liabilities		**11,016,527**	11,291,318
Net assets		**37,566,981**	29,632,102
Equity			
Share capital	8	**-**	-
Share premium	8	**32,391,515**	25,581,500
Retained profit		**5,175,466**	4,050,602
Total Equity		**37,566,981**	29,632,102
Net Asset Value per Ordinary Share	10	**£1.1396**	£1.1140

Approved by the Board of Directors on 2 July 2015 and signed on its behalf by:

Charles Parkinson
Director

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

BAILIWICK INVESTMENTS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2015

	Notes	1 Nov 2013 to 30 Apr 2014 £	1 Nov 2013 to 30 Apr 2014 £
Cash flows from operating activities			
Total comprehensive income for the period		**1,922,864**	1,599,235
Adjusted for:			
Decrease in receivables		**91,324**	229,107
Decrease in amount due from broker		**41,371**	447,059
Decrease in payables		**(194,611)**	(92,201)
Purchase of financial assets	4	**(11,911,337)**	(536,066)
Sale of financial assets	4	**5,074,260**	10,089,823
Net gain on financial assets and liabilities at fair value through	4	**(1,026,610)**	(1,178,622)
(Decrease)/increase in loan interest payable		**(1,014)**	12,736
Amortisation of borrowing costs		**20,834**	-
Net cash flows (used in)/from operating activities		**(5,982,919)**	10,571,071
Cash flows from financing activities			
Proceeds from issue of ordinary shares	8	**7,000,015**	-
Expenses on issue of ordinary shares	8	**(190,000)**	-
Dividends paid	9	**(798,000)**	(798,000)
Repayment of borrowings	6	**(100,000)**	-
Net cash flows from/(used in) financing activities		**5,912,015**	(798,000)
Decrease/(increase) in cash and cash equivalents		**(70,904)**	9,773,071
Cash and cash equivalents at start of period		**3,637,585**	2,348,345
Cash and cash equivalents at end of period		**3,566,681**	12,121,416

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

Statement of compliance and basis of preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting and the Companies (Guernsey) Law 2008. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the consolidated financial statements for the year ended 31 October 2014.

Significant accounting policies

The accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended 31 October 2014.

Adoption of new and revised standards

The Directors considered all relevant new standards, amendments and interpretations to existing standards effective for the interim report for the six months ended 30 April 2015. Their adoption has not led to any changes in the Group's accounting policies and they had no material impact on the financial statements of the Group.

Estimates

When preparing the interim financial statements, the Directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group’s last annual financial statements for the year ended 31 October 2014.

3 ADMINISTRATION AND OTHER EXPENSES

	1 Nov 2014 to 30 Apr 2015 £	1 Nov 2013 to 30 Apr 2014 £
Administration fees	**49,000**	34,000
Audit fees	**6,187**	6,447
Directors' fees	**45,000**	37,500
Registrar fees	**2,469**	2,472
Legal and professional fees	**97,952**	6,923
Other sundry expenses	**39,402**	13,854
	240,010	101,196

Included within legal and professional fees for the period ended 30 April 2015 is £ nil (2014: £2,350) paid to Grant Thornton Limited, the Company's auditor, for the provision of tax advice.

4 INVESTMENTS

	30 Apr 2015 £	31 Oct 2014 £
Fair value of investments brought forward	**37,119,016**	41,947,653
Purchases at cost	**11,911,337**	2,951,118
Sales	**(5,074,260)**	(10,213,310)
Net gain on investments	**1,026,610**	2,433,555
Fair value of investments carried forward	**44,982,703**	37,119,016
Represented by:		
Closing book cost	**42,966,719**	33,107,401
Closing revaluation of investments	**2,015,984**	4,011,615
	44,982,703	37,119,016

5 OTHER RECEIVABLES AND PREPAYMENTS

	30 Apr 2015 £	31 Oct 2014 £
Prepayments	**23,132**	1,956
Accrued bond interest	**-**	112,500
	23,132	114,456

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

6 BORROWINGS

	30 Apr 2015 £	31 Oct 2014 £
The Royal Bank of Scotland plc	**10,912,485**	-
HSBC Bank plc	**-**	10,992,665
	10,912,485	10,992,665
Bank borrowings payable in less than one year	**200,000**	200,000
Bank borrowings payable in more than one year	**10,712,485**	10,792,665
	10,912,485	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 has been used to repay the HSBC borrowings and to finance further investment acquisitions. Security for the loan is provided by way of security interest agreements over the issued share capital of the Group's property holding subsidiaries Column Holdings Limited and Commerce 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.

7 OTHER PAYABLES

	30 Apr 2015 £	31 Oct 2014 £
Performance fee	**-**	119,901
Management fee	**-**	2,907
Administration fee	**17,000**	17,000
Audit fee	**6,187**	17,075
Legal and professional fees	**79,635**	28,052
RBSI loan arrangement fee	**-**	112,000
Other payables	**1,220**	1,718
	104,042	298,653

The performance fee only falls due for payment when the Company has received proceeds from the disposal or realisation of its assets or upon termination of the investment management agreement. The performance fee outstanding at 31 October 2014 was paid in February 2015.

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

8 SHARE CAPITAL

Authorised Share Capital	30 Apr 2015 £
Unlimited ordinary shares of no par value	-

Issued Share Capital	Number of Shares	Share Premium £
Balance at 1 November 2014	**26,600,000**	**25,581,500**
Issued on 16 December 2014	**6,363,650**	**6,810,015**
Balance at 30 April 2015	**32,963,650**	**32,391,515**

The Company's authorised share capital consists of an unlimited number of ordinary shares of no par value. Following a share placing and offer, a further 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.

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

9 DIVIDENDS

	1 Nov 2014 to 30 Apr 2015 £	1 Nov 2013 to 30 Apr 2014 £
Dividend of 3.00p per share paid 5 January 2015	**798,000**	-
Dividend of 3.00p per share paid 3 February 2014	**-**	798,000
	798,000	798,000

10 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 £37,566,981 and on 32,963,650 Ordinary Shares in issue at 30 April 2015.

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

	30 Apr 2015 £	31 Oct 2014 £
NAV	**37,566,981**	29,632,102
No. of shares in issue	**32,963,650**	26,600,000
Financial Statements NAV per Share	**1.1396**	1.1140
Add back/(deduct) :		
Fair value of investments	**-**	(208,739)
NAV per Share reported on the CISE	**1.1396**	1.1061

11 ULTIMATE CONTROLLING PARTY

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

12 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

13 EVENTS AFTER THE REPORTING DATE

On 7 May 2015 the Group purchased 242,490 shares in Guernsey Recycling (1996) Limited for consideration of £3,794,968. The investment facilitated the acquistion of Island Waste Limited and gives the Company a 29.19% stake in what will now be known as the Guernsey Recycling Group.

On 12 May 2015 the Group sold its subsidiary, Commerce Holdings Limited, to the Channel Islands Property Fund Limited. Commerce Holdings Limited, which owns the office building known as Carey House, was sold for consideration of £16,750,000. The consideration is subject to final adjustment based on the value of the net current assets/liabilities of Commerce Holdings Limited at the completion date. Also on 12 May 2015 the Group repaid £7,850,000 of its loan from The Royal Bank of Scotland International Limited.

A dividend of 2.25p per share was announced on 22 May 2015, and was paid to shareholders on 19 June 2015.

On 30 June 2015 the Group acquired a 25% interest in Acorn Group Holdings Limited ("Acorn") for consideration of £3,125,000. Acorn is a Jersey based asset and consumer finance business. The Company has agreed to provide future funding by subscribing for preference shares in Acorn.

BAILIWICK INVESTMENTS LIMITED
PORTFOLIO STATEMENT
AS AT 30 APRIL 2015

	30 Apr 2015	
	Nominal holding	Fair value £
Investment in subsidiaries - 65.89%		
ASG Group Limited	1,000	4,499,563
Bailiwick Investment Holdings Limited	2	211,810
Column Holdings Limited	2	6,254,377
Commerce Holdings Limited	10,080	17,143,975
Legis Group Holdings Limited 'A' Ord	98,848	1,532,895
Total investment in subsidiaries		29,642,620
Equities - 34.11%		
Construction - 4.12%		
Breedon Aggregates Limited Ord NPV	4,000,000	1,845,000
Financial services - 1.17%		
Channel Islands Stock Exchange Ord GBP0.10	242,666	121,333
Channel Islands Securities Exchange Ord GBP1.00	325,000	406,250
Orangefield Legis Holdings Limied	10,000	680,000
Motor Trade - 21.45%		
Ravenscroft Investments PCC Limited - Octane Cell	9,650,000	9,650,000
Utilities - 5.86%		
Jersey Electricity Company 'A' Ord GBP0.05	500,000	2,012,500
Jersey Water Ord GBP0.50	100,000	625,000
Total equities		15,340,083
		44,982,703

	31 Oct 2014	
	Nominal holding	Fair value £
Investment in subsidiaries - 67.37%		
ASG Group Limited	550	2,100,000
Bailiwick Investment Holdings Limited	2	210,087
Column Holdings Limited	2	6,198,363
Commerce Holdings Limited	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 - 3.33%		
Legis Group Holdings Limited 'D' Preference Shares	1,500,000	1,500,000
Total Interest bearing investments		1,500,000
Equities - 14.32%		
Construction - 7.02%		
Breedon Aggregates Limited Ord NPV	6,000,000	2,602,800
Financial services - 1.17%		
Channel Islands Stock Exchange Ord GBP0.10	242,666	121,333
Channel Islands Securities Exchange Ord GBP1.00	325,000	406,250
Utilities - 4.85%		
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

* The investments into the share capital of Column Holdings Limited and Commerce Holdings Limited are pledged under the loan agreement with HSBC Bank plc (Note 7).

Appendix 4
Nelson House Valuation Letter

CBRE

CBRE Jersey Limited
45 Century Buildings
The Esplanade, St Helier
Jersey JE2 3AD

Switchboard +44 (0)1534 874141

Jon.carter@cbre.com

Our Ref JC/SLP
Your Ref

19 November 2015

The Directors
Bailiwick Investments Limited
P O Box 222
The Market Buildings
Fountain Street
St Peter Port
Guernsey
GY1 4JG

F.A.O. Simon Melling

Dear Sirs

Nelson House, Admiral's Park, St Peter Port, Guernsey

I write further to our recent email exchanges and discussions between Simon Melling and myself in respect of the above mentioned property.

I can confirm that the fund cost valuation undertaken by CBRE in October 2014 was reported and based upon a valuation of £6.143 million.

This assumed purchaser's costs of 1.5%.

Having made further enquiries and based upon the information provided by Mr Melling that there have been no material changes to the property or the rental income, we are unaware of any matter of circumstance which would have a material effect upon the valuation of £6.143 million and are confident that it still applies today.

Please accept this letter as confirmation that CBRE has, on the date hereof, given and has not withdrawn its written consent to the issue of a listing document by Bailiwick Investments Limited in the form provided to us with the inclusion of CBRE's name in the form and context in which it is included and to the inclusion of this letter as an appendix therein.

I trust that the above sufficient for your needs, however, should you have any queries or questions then please do not hesitate to contact me.

Kind regards

Yours sincerely

JON CARTER
SENIOR DIRECTOR