



**HALF YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020**

BAILIWICK INVESTMENTS LIMITED
HALF YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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BAILIWICK INVESTMENTS LIMITED
DIRECTORY FOR THE PERIOD ENDED 30 JUNE 2020

Registered Office	P O Pox 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Directors	Sir Geoffrey Rowland (Chairman) Susie Farnon John Henwood MBE
Manager (until 31 May 2020) and Market Maker	Ravenscroft Limited 20 New Street St. Peter Port Guernsey GY1 4JG
Manager (from 1 June 2020)	Ravenscroft Specialist Fund Management Limited 20 New Street St. Peter Port Guernsey GY1 4JG
Administrator, Registrar and Secretary	Saffery Champness Fund Services Limited P O Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
TISE Listing Sponsor	Carey Commercial Limited P O Box 285 1st and 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 4LX
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
Guernsey Registered Number	49479

**BAILIWICK INVESTMENTS LIMITED
SUMMARY FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

	6 months to 30 Jun 2020	6 months to 30 Jun 2019	12 months to 31 Dec 2019
Net Asset Value (“NAV”)	£1.1885	£1.4354	£1.3339
Share price	£1.05	£1.40	£1.30
Investment income for the period/year	£0.386m	£1.451m	£2.474m
Net (loss)/gain on financial assets at fair value for the period/year	(£6.737m)	£2.404m	(£2.732m)
Total (loss)/profit and comprehensive income for the period	(£6.914m)	£2.982m	(£1.122m)
Basic earnings per share	-£0.12	£0.05	-£0.02
Interim/Annual dividend per share	£0.025	£0.025	£0.055

Financial calendar

December 2020
May 2021
June 2021

Final FY20 dividend paid
AGM
Interim FY21 dividend paid

BAILIWICK INVESTMENTS LIMITED

Portfolio movements for the period ended 30 June 2020

	Fair value at 1 January 2020 £	Investment £	Sale proceeds £	Realised and unrealised value movement £	Fair value at 30 June 2020 £
Listed investments - 53.16%					
The International Stock Exchange Group Limited	2,687,748	-	-	(287,973)	2,399,775
Jersey Electricity PLC	2,918,500	-	-	110,500	3,029,000
Polygon Group Limited	740,000	-	-	-	740,000
SandpiperCI Limited	23,244,401	-	-	(2,249,458)	20,994,943
SigmaRoc PLC	9,900,000	-	(564,155)	(1,015,445)	8,320,400
Total listed investments	39,490,649	-	(564,155)	(3,442,376)	35,484,118
Unlisted investments - 46.84%					
Bailiwick Investment Holdings Limited	49,434	2,781	-	(2,569)	49,646
Channel Islands Media Group Limited	4,887,875	-	-	-	4,887,875
F B Limited	2,219,753	100,590	-	23,071	2,343,414
Guernsey Recycling (1996) Limited	9,770,746	1,617,260	-	116,371	11,504,377
Le Platon Home LBG	-	751,015	-	(1,015)	750,000
MitonOptimal International Limited	3,500,000	-	-	(250,000)	3,250,000
The Octane PCC Limited - Octane Cell	10,670,000	1,000,000	-	(3,180,193)	8,489,807
Total unlisted investments	31,097,808	3,471,646	-	(3,294,335)	31,275,119
Totals	70,588,457	3,471,646	(564,155)	(6,736,711)	66,759,237

**BAILIWICK INVESTMENTS LIMITED
INVESTMENT MANAGER'S REPORT
FOR THE PERIOD ENDED 30 JUNE 2020**

Performance overview

Ravenscroft Specialist Fund Management Limited (the “Manager”) presents its report on Bailiwick Investments Limited (the “Company”) for the period ended 30 June 2020, following a challenging first half of the year. The COVID-19 pandemic and resulting lockdowns had a significant impact on many of the Company’s investee businesses as well as on market confidence in general. Nevertheless, the Channel Islands appear to have weathered the storm very well in comparison to most jurisdictions, management teams have responded well, and the easing of restrictions over the summer has seen a significant boost to operations and a more confident outlook for the rest of the year.

The Company’s NAV per share at 30 June 2020 decreased by 10.9% (9.0% excluding dividends) over the period, declining to £1.1885 per share from £1.3339 as at 31 December 2019, although up from a low of £1.1319 per share as at 30 March 2020.

A dividend of 2.5p per share was announced on 22 May 2020 and paid on 12 June 2020.

Portfolio review

SANDPIPER CI GROUP LIMITED (“Sandpiper”)	TISE Listed: SANDPI
Investment: Ordinary Shares	% of Company’s net assets: 30.99%
	% of voting rights held: 29.99%
Business Summary: Operation of convenience stores and other retail outlets principally in the Channel Islands, working on a franchise basis with a number of blue chip retail brands.	

At the end of 2019, the Company committed to invest an additional £4.055m in Sandpiper as part of a private placing undertaken to part fund Sandpiper’s conditional acquisition of The Guernsey Pub Company Limited. Unfortunately, due to the effects of Covid-19, this transaction did not complete and the Company was subsequently released from its cash commitment.

The annual report and audited financial statements for the period ended 1 February 2020 were published on 8 June 2020, reporting growth in adjusted trading EBITDA of almost 10% on the prior period.

Sandpiper ended 2019 at a mid-price of 77.5p, falling to 70p at the end of March and June 2020. The share price has since recovered to 75p as at the time of writing.

A significant proportion of Sandpiper’s turnover is derived from food retail, which remained open and trading ahead of budget throughout the COVID-19 lockdown period. The closure of non-food stores during this period had a negative impact on performance, but almost all of Sandpiper’s stores are now open once more. Sandpiper remains in a strong financial position and a gradual return to its previous performance levels is expected in the second half of the year.

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<p>JACKSONS GROUP LIMITED (“Jacksons”) THE OCTANE PCC LIMITED - OCTANE CELL</p> <p>Investment: Ordinary Shares Preference Shares</p>	<p>Private Company</p> <p>% of Company’s net assets: 12.53%</p> <p>% of voting rights held: 39.52%</p>
<p>Business Summary: Motor dealerships in Guernsey, Jersey, Isle of Man and Isle of Wight, including Jacksons and Motor Mall in the Channel Islands. Offers full franchises for Audi, Mercedes Benz, Volkswagen, Bentley, Porsche, Smart, Aston Martin, BMW, Mini and Jaguar Land Rover amongst others.</p>	

In January 2020, Jacksons undertook a £4m capital raise to cover short-term working capital requirements as a result of the difficult trading conditions experienced during 2019 and following the completion of several, major capital projects in 2018. The Company invested £1m in new preference shares alongside existing investors, including Jacksons management.

Following the loss of trading in March, April and May due to the COVID-19 lockdown restrictions, it was encouraging to see sales bounce back in June when the sites largely reopened for business. We were pleased to note that June and July’s turnover was 11% and 31% respectively ahead of budget and 16% and 19% respectively ahead when compared with the same month last year, although we recognise that some of this positive performance can be attributed to the release of pent-up demand from the lockdown period.

Despite these positive signs, Jacksons is facing challenges both from COVID-19 uncertainty and from the ongoing difficulties of the UK car industry as a whole. We have therefore prudently recommended a write down in the holding value of the Company’s investment from £11.7m to £8.5m as at 30 June 2020.

<p>GUERNSEY RECYCLING (1996) LIMITED (“GRG”)</p> <p>Investment: B ordinary shares</p>	<p>Private Company</p> <p>% of Company’s net assets: 16.98%</p> <p>% of voting rights held: 32.04%</p>
<p>Business Summary: Guernsey-headquartered waste to resource management group operating in the Channel Islands, the UK and Cayman Islands</p>	

GRG performed ahead of budget over the first three months of 2020 before the implementation of COVID-19 lockdown restrictions across the UK and Channel Islands. Performance understandably suffered as a result of these restrictions, however GRG managed to maintain a level of operation throughout, with a number of its services being deemed essential. Operations in the Channel Islands have now almost returned to normal levels, whilst the UK businesses have also seen activity increase with the lifting of lockdown restrictions there. Commodity prices have shown some signs of recovery from the low levels experienced in 2019, and management is confident of strong results over the remainder of the year.

In June 2020, GRG completed the acquisition of Chloros Environmental Limited (“Chloros”). Chloros is a hazardous waste business in the UK and is complementary to GRG’s other UK acquisitions undertaken in 2018 and 2019.

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The Company participated in GRG's fundraising to acquire Chloros, exercising its pre-emption rights and also taking the opportunity to increase its holding slightly in GRG to 32%. We continue to be impressed with GRG's management and remain fully supportive of their plans for the future.

SIGMAROC PLC ("SigmaRoc")	AIM Listed: SRC
Investment: Ordinary Shares	% of Company's net assets: 12.28%
	% of voting rights held: 7.45%
Business Summary: AIM listed buy-and-build construction materials company, founded to generate shareholder value from a highly targeted investment strategy	

SigmaRoc's annual results to 31 December 2019 reported a strong performance for the year, with group revenue increasing by 71% to £70m, and an Underlying EBITDA of £14.5m representing a 48% increase on the prior year, driven largely by acquisitions made during the year. Organic growth was reported at 6.7% for revenue, and 9% for EBITDA.

In a trading update released on 30 July 2020, SigmaRoc reported that the group had delivered a strong performance in the first half of 2020. Revenue and Underlying EBITDA for the six months to 30 June 2020 were £54.5m and £10.9m respectively, with its Underlying EBITDA margin improving to 20% from 19.1% over the equivalent period in 2019.

SigmaRoc's share reached 49.5p at the 2019 year end, and rose to a high of 52p per share in February 2020 before falling due to the COVID-19 pandemic. It reached a low of 23.5p in April before recovering to 44p at the end of June and has been fluctuating between 46p and 37.5p throughout July. The Company sold 1,090,000 shares above a floor of 51p in early 2020.

SigmaRoc rigorously implemented government recommended health and social distancing protocols across all its operating regions and was therefore able to continue to operate at the majority of its sites.

The easing of restrictions across the group's operating regions has enabled it to increase activity and resume more normal trading. The resilience of the business through April, together with the recovery in activity levels in May, gives the SigmaRoc board confidence that it will be able to manage effectively through the crisis and maintain progress in its growth strategy.

CHANNEL ISLANDS MEDIA GROUP LIMITED ("CIMG")	Private Company
Investment: Ordinary Shares	% of Company's net assets: 7.22%
	% of voting rights held: 50.00%
Business Summary: a 50:50 joint venture established by the Company and MXC Guernsey Limited ("MXC") to acquire The Guernsey Press Company Limited ("The Guernsey Press"). The Guernsey Press is a key source of news and information across the Bailiwick of Guernsey, offering multi-media platforms such as the website and app "GY4 You", as well as the production and distribution of the local newspaper and the wholesale and distribution of national newspapers and magazines.	

CIMG entered into an agreement on 19 June 2020 to purchase the entire issued share capital of TPA Guernsey Limited ("TPA") subject to conditions, including consent being granted by the Guernsey Competition and Regulatory Authority. TPA is a pan-island agency providing professional marketing, digital development and creative services. This acquisition will both expand CIMG's

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service offering and enable the digital transformation of The Guernsey Press. As detailed in note 16 completion of the purchase took place on 21 August 2020.

Since the COVID-19 outbreak, The Guernsey Press has seen a significant increase in digital subscribers to the online newspaper (79% up in June from the end of February) and a significant spike in traffic to the online news website. Despite this, advertising revenue has fallen dramatically as local businesses seek to cut non-essential expenditure and preserve cash during this period of uncertainty. We have seen a steady increase in revenues since Guernsey emerged from its local lockdown restrictions, and management remains hopeful that revenue will return to pre-COVID levels by the end of the year.

<p>MITONOPTIMAL INTERNATIONAL LIMITED (“Miton”)</p> <p>Investment: Ordinary Shares 5% Loan Notes 6% Loan Notes</p>	<p>Private Company</p> <p>% of Company’s net assets: 4.80%</p> <p>% of voting rights held: 11.41%</p>
<p>Business Summary: independent multi-asset investment managers with offices in the Channel Islands, UK and South Africa, focused on the delivery of discretionary fund management and client portfolio management services to a global client base of intermediaries and private clients.</p>	

Miton disposed of its Jersey subsidiary, which completed in April this year, and management is currently in advanced negotiations for the sale of one of their UK offices.

Miton has seen a fall in revenue as a result of difficult trading carried through from 2019 and lower stock markets during the COVID-19 pandemic. The business continues to deliver recurring revenue streams, albeit at a lower level than budgeted.

Management have indicated their desire to sell the individual constituent parts of Miton in order to maximise remaining shareholder value. We are supportive of the sales process, as it should enable the early redemption of the Loan Notes and the return of the residual equity value to shareholders.

<p>JERSEY ELECTRICITY PLC (“JEL”)</p> <p>Investment: A Ordinary Shares</p>	<p>LSE Listed: JEL</p> <p>% of Company’s net assets: 4.47%</p> <p>% of voting rights held: 0.61%</p>
<p>Business Summary: The core business is the supply of sustainable, low carbon energy. Related services include commercial and domestic building services, energy solutions, environmental engineering, retail, IT and property. The States of Jersey owns 62% of the ordinary share capital via a separate, unlisted share class.</p>	

Group revenue for the six months ended 31 March 2020 increased 9% compared to the same period in 2019, and profit before tax was higher by £0.8m. An interim net dividend for 2020 of 6.80p (2019: 6.45p) was paid in June 2020.

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As an essential service provider, JEL operated throughout the COVID-19 lockdown period with the health and safety of the public, its customers and employees as key priorities whilst maintaining essential services and protecting the business overall.

JEL's share price has performed well during the year to date, rising from £4.49 at the 2019 year end to £4.66 at 30 June 2020.

<p>THE INTERNATIONAL STOCK EXCHANGE GROUP LIMITED ("TISEG")</p> <p>Investment: Ordinary Shares</p>	<p>TISE Listed: TISEG</p> <p>% of Company's net assets: 3.54%</p> <p>% of voting rights held: 13.61%</p>
<p>Business Summary: TISEG is the holding company of The International Stock Exchange Authority Limited which operates the investment exchange known as The International Stock Exchange.</p>	

TISEG released a positive set of annual results for the year ended 31 December 2019. Revenue increased by 4% year on year to £7.58m, and profit before tax rose by 8% to £3.63m. Initial fees from new listings were down on the prior year, but this was more than offset by annual fees from existing listings. Following a deferral in March, TISEG declared a dividend of 20p per share in April which was paid on 1 June.

In February 2020, TISEG announced the resignation of its CEO, Fiona Le Poidevin. A process is underway to identify her successor and in the meantime the existing management team will assume the duties with additional oversight from the board.

There were 390 new listings admitted to the Official List of TISE during the first six months of 2020 (first six months of 2019: 242). TISEG expects its post-tax earnings per share for the first half of the 2020 financial year to be ahead of the prior year.

In July 2020, TISEG announced the retirement of Jon Moulton as chairman. He will be succeeded by Charlie Geffen, the current chairman of The International Stock Exchange Authority Limited, with effect from January 2021.

TISEG ended 2019 at a mid-price of £7.00 per share before dropping to £6.50 at the end of March 2020 and £6.25 at the end of June 2020. This has subsequently improved to £8.25 per share however following recent trading including share purchases by some of its directors in July 2020.

<p>OATLANDS VILLAGE (F B LIMITED) ("Oatlands")</p> <p>Investment: Ordinary Shares Preference Shares</p>	<p>Private Company</p> <p>% of Company's net assets: 3.46%</p> <p>% of voting rights held: 47.17%</p>
<p>Business Summary: Oatlands Village is home to a variety of attractions for locals and tourists in Guernsey and comprises a number of rental units, including a range of high quality rental outlets and a popular restaurant, The Kiln. Oatlands also owns and operates Oaty and Joey's Playbarn ("the Playbarn"), Guernsey's premier attraction for children.</p>	

Following a solid first quarter for Oatlands, all business premises at Oatlands were closed to customers for almost two months during the lockdown restrictions put in place by the States of Guernsey to contain the spread of COVID-19 on the island. This of course had a dramatic impact on performance, but management was proactive in its steps to support tenants and limit the impact of this closure on the Playbarn and its staff. With the progress made on lifting the COVID-19

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restrictions to date, all businesses in the Village are now open, performance at the Playbarn is returning to pre-lockdown levels, and management is optimistic this will continue through the remainder of the year. Work is underway to redevelop the former Jungle House site, which will represent another positive enhancement to the property before the end of the year.

LE PLATON RESIDENTIAL HOME (“Le Platon”)	Private Company
Investment: 7% Loan Notes due 2025	% of Company’s net assets: 1.11%
	% of issued loan notes held: 57.69%
Business Summary: Established in 1914 as a care home for elderly residents of the island. Construction started in November 2018 to extend the building and refurbish other existing parts to create a fully compliant, market standard 50-bedroom care home for elderly residential and dementia care.	

Construction on the new dementia wing, originally due for completion at the end of July, was put on hold during the COVID-19 lockdown restrictions. It is now scheduled to open in the autumn.

POLYGON GROUP LIMITED (“Polygon”)	TISE Listed: POLYGONG
Investment: 8% Bonds due 2022	% of Company’s net assets: 1.09%
	% of issued bonds held: 25.3%
Business Summary: Polygon is an independent, family-owned investment company managing a diverse portfolio that provides support and unique investments to businesses, sophisticated investors and high net worth individuals.	

Polygon expanded its commercial property portfolio by acquiring Bucktrout House located on the South Esplanade in St Peter Port, Guernsey, in May 2020.

In June 2020, Polygon issued £1.145m of new corporate bonds, listed on TISE, followed by a further £980k in July.

In July 2020, Polygon announced that has agreed to acquire up 50% of the issued share capital of Advisa Group Limited over a three year period, subject to approval from the Jersey Financial Services Commission.

Summary

The Board and the Manager remain focused on the Company’s investment objective of attaining long-term capital growth, while mindful of the value that many shareholders attach to the dividend stream that the Company has been able to provide via its stock selection.

The recent easing of restrictions across the Channel Islands, and to an extent in the UK, give us renewed cause for optimism over the Company’s performance in the second half of the year. We continue to work alongside the Company’s investee management teams as they seek to emerge from the effects of lockdown and to return their businesses to pre-COVID trading and profit levels.

Ravenscroft Specialist Fund Management Limited

25 August 2020

BAILIWICK INVESTMENTS LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	1 Jan 2020 to 30 Jun 2020 £	1 Jan 2019 to 30 Jun 2019 £
		<u>Unaudited</u>	
Income			
Net (loss)/gain on financial assets at fair value through profit or loss	5	(6,736,711)	2,403,875
Investment income		385,593	1,450,572
		<u>(6,351,118)</u>	<u>3,854,447</u>
Expense			
Performance fee	6	(67)	185,957
Management fees		343,134	403,524
Loan interest expense		41,796	104,293
Administration and other expenses	4	178,124	178,445
		<u>562,987</u>	<u>872,219</u>
Total (loss)/profit and comprehensive income for the period		<u><u>(6,914,105)</u></u>	<u><u>2,982,228</u></u>
Weighted average shares in issue during the period		57,068,132	57,400,000
Profit per Ordinary Share (basic and diluted)		-£0.12	£0.05

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

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

BAILIWICK INVESTMENTS LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	30 Jun 2020 £ <u>Unaudited</u>	31 Dec 2019 £ <u>Audited</u>
Assets			
Financial assets at fair value through profit or loss	5	66,759,237	70,588,457
Due from broker		239,775	605,680
Other receivables and prepayments	7	105,003	543,789
Cash and cash equivalents	8	2,741,923	6,907,726
Total assets		69,845,938	78,645,652
Liabilities			
Borrowings	9	2,016,152	2,017,410
Other payables	10	85,774	65,125
Total liabilities		2,101,926	2,082,535
Net assets		67,744,012	76,563,117
Equity			
Share capital	11	-	-
Share premium	11	59,882,718	60,362,718
Retained profit		7,861,294	16,200,399
Total Equity		67,744,012	76,563,117
Net Asset Value per Ordinary Share	13	£1.1885	£1.3339

Approved by the Board of Directors on 25 August 2020 and signed on its behalf by:



Sir Geoffrey Rowland
Chairman

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

BAILIWICK INVESTMENTS LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 January 2020	-	60,362,718	16,200,399	76,563,117
Share buy back 31 January 2020	-	(480,000)	-	(480,000)
Total loss and comprehensive income for the period	-	-	(6,914,105)	(6,914,105)
Dividend	-	-	(1,425,000)	(1,425,000)
Balance at 30 June 2020 (unaudited)	-	59,882,718	7,861,294	67,744,012
Balance at 1 January 2019	-	60,362,718	20,479,523	80,842,241
Total profit and comprehensive income for the period	-	-	2,982,228	2,982,228
Dividend	-	-	(1,435,000)	(1,435,000)
Balance at 30 June 2019 (unaudited)	-	60,362,718	22,026,751	82,389,469

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

BAILIWICK INVESTMENTS LIMITED
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020

	Notes	1 Jan 2020 to 30 Jun 2020 £	1 Jan 2019 to 30 Jun 2019 £
		<u>Unaudited</u>	
Cash flows from operating activities			
Total (loss)/profit and comprehensive income for the period		(6,914,105)	2,982,228
Adjusted for:			
Decrease/(increase) in receivables		438,786	(680,663)
Decrease/(increase) in amount due from broker		365,905	(57,732)
Increase/(decrease) in payables		20,649	(87,597)
Purchase of financial assets	5	(3,471,646)	(4,587,921)
Proceeds from sale of financial assets	5	564,155	15,741,017
Net loss/(gain) on financial assets at fair value through profit or loss	5	6,736,711	(2,403,875)
Decrease in loan interest payable		(1,258)	(23,194)
Amortisation of borrowing costs		-	34,725
Net cash flows (used in)/from operating activities		(2,260,803)	10,916,988
Cash flows from financing activities			
Share buy back		(480,000)	-
Dividends paid	12	(1,425,000)	(1,435,000)
Repayment of borrowings	9	-	(3,400,000)
Net cash flows used in financing activities		(1,905,000)	(4,835,000)
(Decrease)/increase in cash and cash equivalents		(4,165,803)	6,081,988
Cash and cash equivalents at start of period		6,907,726	5,980,325
Cash and cash equivalents at end of period		2,741,923	12,062,313

The accompanying notes form an integral part of these 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. The Company is listed on The International Stock Exchange ("TISE").

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of preparation

These unaudited condensed 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 full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the financial statements for the year ended 31 December 2019.

Significant accounting policies

The accounting policies adopted in the preparation of these unaudited condensed half-yearly financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended 31 December 2019, except for the adoption of new standards and interpretations that have become effective during the period. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not effective.

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 June 2020. Their adoption has not led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company.

Significant accounting estimates and judgements

When preparing the half-yearly financial statements, the Directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The most significant judgement is the valuation of unlisted investments.

As at 30 June 2020, included in investments at fair value through profit or loss were 7 unlisted (31 December 2019: 6 unlisted) investments valued at £31,275,119, (31 December 2019: £31,097,808). These investments are not quoted on an exchange, and as such their valuation relies on a degree of informed judgement from the Investment Manager.

The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are consistent with those set out in the annual financial statements for the year ended 31 December 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

Since early 2020 the outbreak of COVID-19 has adversely impacted global commercial activities. The rapid development and fluidity of the situation precludes any prediction of its ultimate impact which may be a continued adverse impact on economic and market conditions and a period of global economic slowdown. After making enquiries, considering Company cash-flow forecasts and given the nature of the Company and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these unaudited condensed half-yearly financial statements and consider that the Company is able to continue for the foreseeable future and at least twelve months from the date of this report. The Directors have concluded that the moderate adverse investment performance will not impact on the Company's ability to meet its liabilities as they fall due.

3 PRINCIPAL RISKS AND UNCERTAINTIES

In the course of conducting its business operations the Company is exposed to a variety of risks including market, liquidity, operational and other risks that may be material and require appropriate controls and on-going oversight.

As an investment company, the most significant risk is considered to be market risk. As described in the Manager's Report, the level of volatility within international markets during the first half of the year was unprecedented, with the pandemic's influence severely impacting market risk through prices, currencies and interest rates. With ongoing and widespread infection levels, no vaccine, and an uncertain economic recovery, this degree of uncertainty and elevated volatility is expected to continue. However, the situation in the Channel Islands is more positive resulting in a less severe impact on the Company's investments.

From an operational risk perspective, the nature of the Company's business means that the Company has been able to continue irrespective of the societal restrictions. With an enhanced level of Board interaction with, and reporting from, the Investment Manager, the Directors remain satisfied with the continued operation of the business and the effectiveness of the Company's internal control environment, notwithstanding the necessary adjustments to reflect remote working.

4 ADMINISTRATION AND OTHER EXPENSES

	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019
	£	£
Administration fees	52,198	68,017
Audit fees	15,000	15,323
Directors' fees	55,000	45,000
Registrar fees	2,500	2,486
Legal and professional fees	9,698	15,140
Other sundry expenses	43,728	32,479
	178,124	178,445

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5 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and financial liabilities

	Financial assets measured at FVTPL £	Financial assets measured at amortised cost £	Total £
30 June 2020			
Financial assets			
Financial assets at fair value through profit or loss	66,759,237	-	66,759,237
Due from broker	-	239,775	239,775
Other receivables	-	96,551	96,551
Cash and cash equivalents	-	2,741,923	2,741,923
	<u>66,759,237</u>	<u>3,078,249</u>	<u>69,837,486</u>
31 December 2019			
Financial assets			
Financial assets at fair value through profit or loss	70,588,457	-	70,588,457
Due from broker	-	605,680	605,680
Other receivables	-	536,728	536,728
Cash and cash equivalents	-	6,907,726	6,907,726
	<u>70,588,457</u>	<u>8,050,134</u>	<u>78,638,591</u>
		Financial liabilities measured at amortised cost	Total
30 June 2020		£	£
Financial liabilities			
Borrowings		2,016,152	2,016,152
Other payables		85,774	85,774
		<u>2,101,926</u>	<u>2,101,926</u>
31 December 2019			
Financial liabilities			
Borrowings		2,017,410	2,017,410
Other payables		65,125	65,125
		<u>2,082,535</u>	<u>2,082,535</u>

5 FINANCIAL ASSETS AND LIABILITIES (continued)

Financial assets at fair value through profit or loss

	30 Jun 2020	31 Dec 2019
	£	£
Fair value brought forward	70,588,457	80,403,053
Purchases at cost	3,471,646	10,798,182
Sales	(564,155)	(17,880,900)
Net(loss)/gain on financial assets at fair value through profit or loss	(6,736,711)	(2,731,878)
Fair value carried forward	66,759,237	70,588,457
Represented by:		
Closing book cost	51,103,179	48,071,505
Closing revaluation of investments	15,656,058	22,516,952
	66,759,237	70,588,457

Details of the Company's investments can be found in the schedule of portfolio movements on page 3.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 30 June 2020:

	Level 1 £	Level 2 £	Level 3 £	Total £
<i>Investments at fair value</i>				
Listed securities				
Construction	8,320,400	-	-	8,320,400
Financial services	2,399,775	-	-	2,399,775
Investment Holding	-	740,000	-	740,000
Retail	20,994,943	-	-	20,994,943
Utilities	3,029,000	-	-	3,029,000
Unlisted securities				
Motor Trade	-	-	8,489,807	8,489,807
Media	-	-	4,887,875	4,887,875
Waste recycling	-	-	11,504,377	11,504,377
Investment Property	-	-	3,143,060	3,143,060
Financial Services	-	-	3,250,000	3,250,000
	34,744,118	740,000	31,275,119	66,759,237

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 31 December 2019:

	Level 1 £	Level 2 £	Level 3 £	Total £
<i>Investments at fair value</i>				
Listed securities				
Construction	9,900,000	-	-	9,900,000
Financial services	2,687,748	-	-	2,687,748
Investment Holding	-	740,000	-	740,000
Retail	23,244,401	-	-	23,244,401
Utilities	2,918,500	-	-	2,918,500
Unlisted securities				
Motor Trade	-	-	10,670,000	10,670,000
Media	-	-	4,887,875	4,887,875
Waste recycling	-	-	9,770,746	9,770,746
Investment Property	-	-	2,269,187	2,269,187
Financial Services	-	-	3,500,000	3,500,000
	38,750,649	740,000	31,097,808	70,588,457

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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 investment in Polygon Group Limited is classified as level 2.

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 Company uses valuation techniques to derive the fair value.

Bailiwick Investment Holdings Limited is valued at net asset value, as calculated by its administrator, Saffery Champness Fund Services Limited. Bailiwick Investment Holdings Limited owns a former vinery site in Guernsey. The Investment Manager has obtained a professional valuation for this site which approximates fair value.

The investments in Guernsey Recycling (1996) Limited and The Octane PCC Limited - Octane Cell are valued using a valuation model based on a property valuation and a multiple of earnings, developed by reference to actual market transactions and also by taking into consideration the size and market position of each company.

The investment in MitonOptimal International Limited is valued based on a multiple of funds under management and multiple of gross margin, taking into consideration the size and reputation of the company and its potential sale value.

The investment in Channel Islands Media Group Limited took place on 30 September 2019 and the investment in Le Platon Home LBG took place on 21 January 2020. The Investment Manager considers there were no changes or events subsequent to either of these investments that would imply a change in their fair value from the original investment price.

The valuation of the investment in FB Limited is based on property valuation together with a multiple of earnings in respect of its trading subsidiary, FB Leisure Limited.

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

	Other investments
	£
Opening balance	31,097,808
Purchases	3,471,646
Sale proceeds	-
Net loss on financial assets at fair value through profit or loss	(3,294,335)
Closing balance	31,275,119

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6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3

<i>Description</i>	<i>30 June 2020</i>	<i>Valuation technique</i>	<i>Unobservable input</i>
	<u>£</u>		
Bailiwick Investment Holdings Limited	49,646	Investment Manager's valuation based on NAV	Administrator's NAV calculation
Channel Islands Media Group Limited	4,887,875	Purchase cost	Contract note
F B Limited (Oatlands)	2,343,414	Investment Manager's valuation based on EBITDA multiple; plus property valuation	EBITDA multiple and property valuation
Guernsey Recycling (1996) Limited	11,504,377	Investment Manager's valuation based on EBITDA multiple; plus property valuation	EBITDA multiple and property valuation
Le Platon Home LBG	750,000	Purchase cost	EBITDA multiple and property valuation
MitonOptimal International Limited	3,250,000	Investment Manager's valuation based on model based on Funds under Management	Percentage of Funds Under Management/Multiple of Gross Margin
The Octane PCC Limited - Octane Cell	8,489,807	Investment Manager's valuation based on EBITDA multiple/property valuation	EBITDA multiple and property valuation
	<u>31,275,119</u>		

7 OTHER RECEIVABLES AND PREPAYMENTS

	30 Jun 2020	31 Dec 2019
	<u>£</u>	<u>£</u>
Investment income receivable	96,484	42,915
Prepayments	8,452	7,061
Performance fee clawback	67	394,920
Other receivables	-	98,893
	<u>105,003</u>	<u>543,789</u>

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

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8 CASH AND CASH EQUIVALENTS

	30 Jun 2020	31 Dec 2019
	£	£
Cash at bank	165,272	2,388,340
Certificates of deposit	2,576,651	4,519,386
	2,741,923	6,907,726

The cash at bank is at The Royal Bank of Scotland International Limited. The certificates of deposit are all with institutions rated at least A- by Standard & Poors or A2 by Moody's.

9 BORROWINGS

	30 Jun 2020	31 Dec 2019
	£	£
The Royal Bank of Scotland International Limited		
-Term loan facility	2,000,000	2,000,000
-Accrued interest on term loan facility	16,152	17,410
	2,016,152	2,017,410
Bank borrowings payable in less than one year	2,016,152	2,017,410
	2,016,152	2,017,410

The Company had a two year, £3 million revolving credit facility with The Royal Bank of Scotland International Limited which expired on 20 July 2020 when the remaining balance at that time of £2,000,000 was repaid.

10 OTHER PAYABLES

	30 Jun 2020	31 Dec 2019
	£	£
Administration fee	48,524	28,809
Audit fee	36,000	30,000
Other payables	1,250	6,316
	85,774	65,125

11 SHARE CAPITAL

	30 Jun 2020	
	£	
Authorised Share Capital		
Unlimited ordinary shares of no par value		-
Issued Share Capital	Number of Shares	Share Premium
		£
Balance at 31 December 2019	57,400,000	60,362,718
Share buy back on 31 January 2020	(400,000)	(480,000)
Balance at 30 June 2020	57,000,000	59,882,718

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

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12 DIVIDENDS

	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019
	£	£
Dividend of 2.50p per share paid 12 June 2020 (20 June 2019: 2.50p)	1,425,000	1,435,000
	1,425,000	1,435,000

13 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 £67,744,012 and on 57,000,000 Ordinary Shares in issue at 30 June 2020 (31 December 2019: 57,400,000 Ordinary Shares).

14 ULTIMATE CONTROLLING PARTY

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

15 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

16 EVENTS AFTER THE REPORTING DATE

On 20 July 2020 the Company repaid the remaining balance of £2,000,000 on its revolving credit facility with The Royal Bank of Scotland International Limited.

On 21 August 2020 Channel Islands Media Group Limited ("CIMG"), the 50:50 joint venture established by the Company and MXC Guernsey Limited, completed the purchase of the entire issued share capital of TPA Guernsey Limited ("TPA") (the "Acquisition") for a total consideration of £4.8m, comprising a mix of cash and new shares issued in CIMG. Following the Acquisition, the Company's shareholding in CIMG has been diluted to 30.36%. The sale by CIMG of Braye Road Property Holdings Limited completed alongside the Acquisition, releasing sale proceeds to CIMG of £7m. Jon Ravenscroft, Group CEO of Ravenscroft, the Company's investment manager, sold his 5% stake in TPA as part of the transaction and resigned as a director and chairman of TPA on completion. An independent valuation of TPA was obtained for the purposes of the Acquisition, which satisfied the arm's length requirement pursuant to the Company's regulatory obligations around conflicts of interest. In order to remove future conflicts of interest, at the request of the Company Mr Ravenscroft was exited for cash and is not a shareholder in CIMG.

There are no other subsequent events to report.