BAILIWICK INVESTMENTS

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

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Registered Office	P O Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
Directors	Sir Geoffrey Rowland (Chairman) Susie Farnon John Henwood MBE Kevin Keen (appointed 1 April 2021)
Manager (until 31 May 2020) and Market Maker	Ravenscroft (CI) Limited (formerly 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 1EW
Independent Auditor	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
Legal advisors	Collas Crill LLP Glategny Court PO Box 140, Glategny Esplanade St. Peter Port Guernsey GY1 4EW
Company Registered Number	49479

BAILIWICK INVESTMENTS LIMITED
SUMMARY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	**2019**
Net Asset Value per share (“NAV”)	£1.3304	£1.3339
Share price - 31 December	£1.20	£1.30
Investment income	£1.838m	£2.474m
Net gain/(loss) on financial assets at fair value	£2.200m	(£2.732m)
Result for the year	£2.882m	(£1.122m)
Basic earnings per share	£0.05	-£0.02
Annual dividend per share	£0.055	£0.055

Financial calendar

29 July 2021	Annual General Meeting ("AGM")
30 June 2021	Interim FY21 dividend paid
31 August 2021	Interim Financial Statements to 30 June 2021
31 December 2021	Final FY21 dividend paid

Dear Shareholder

When we reflect on the unforeseen significant challenges resulting from the pandemic in both the Channel Islands and the UK, we must trust that there will be no further lockdowns impacting adversely on Bailiwick Investment Limited's ("Bailiwick") investee companies (the "companies"). The challenges endured by the companies, over the last 17 months have been unique in the history of Bailiwick. Importantly the first priority for the companies has been to protect the health, safety and well-being of their employees. Beyond this, the Manager has worked closely with the companies and the Board has been encouraged by the response of their management teams to the pandemic. They have each applied a high level of detail and focus in order to help their respective businesses navigate their way through the crisis. The Manager's Report contains a detailed review of Bailiwick's 2020 performance.

Our Manager has been in contact with the boards of the companies more frequently than ever before and the Bailiwick Board met, as a Board or in Committee, on no fewer than 16 occasions in 2020, including an annual strategy meeting and meetings of the Nomination and Remuneration Committees.

It is clear that 2020 and early 2021 has been a pivotal period in the life of the companies. During this time, the companies have displayed resilience and maintained momentum for which the Board extends its gratitude to their management teams. They have emerged from the challenging experience leaner, more nimble and have the potential to grow faster. Where companies have identified opportunities to expand, Bailiwick has supported them in fund raises or intimated its support in principle. The Manager has also provided valuable guidance when needed.

It is appropriate to note that, whilst investment income was understandably lower than prior years, Bailiwick has nonetheless maintained its own recent dividend levels from its healthy reserves. The Board was delighted to announce in December 2020 that the Company had declared a dividend of 3p per share, having already paid a dividend of 2.5p per share in June 2020. It is worth recalling that Bailiwick's NAV on 31 December 2019 was 133.39. It dipped to 113.19 on 31 March 2020 but by 31 December 2020 had recovered to 133.04, having paid 5.5p in dividends over the year. Shareholders will be gratified to learn that we are cautiously optimistic that Bailiwick will continue to be able to pay dividends in 2021, expecting to have sufficient available funds to enable it to declare a dividend of 2.5p per share payable in June 2021.

In January 2020, Bailiwick purchased 400,000 of its own ordinary shares at a price of 120p per share, this being an opportunity to acquire shares at a significant discount to NAV and to enhance shareholder returns.

John Henwood has been a Bailiwick director since its launch in 2008. His 12 years of service have been wide ranging, impressive and fruitful. We thank him most sincerely for his contribution. Mindful of the need for succession planning and observance of the principles of good governance John has decided not to seek re-election at the AGM. However, we are delighted that he has been appointed as a director of Channel Islands Media Group (CIMG), a key investee company. We will miss his Bailiwick contributions, but we are delighted that the board of CIMG will be receiving the benefit of his media experience and many other useful skills.

On 1 April 2021 Kevin Keen MBA, FCCA, FCMA, C.Dir. joined the Bailiwick board. Over a period of 40 years, he has gained wide experience of business in Jersey spanning a diverse range of companies and organisations. He has held senior roles at Le Riche Group, Jersey Dairy, Jersey Water, Jersey Post, Voisins Department Store, Jersey Public Accounts Committee, the Jersey Chamber of Commerce and Visit Jersey. Under the terms of Bailiwick's Articles he will seek re-election at the AGM and we look forward to his continuing contribution.

In June 2020, as part of a wider reorganisation of the Ravenscroft Group, Ravenscroft Limited novated all of its rights and obligations in respect of its role as investment manager to Bailiwick to a new group entity called Ravenscroft Specialist Fund Management Limited. There have been no changes to the services provided or the team providing those services as a result of the change of Investment Manager.

Following research carried out during 2020, it was demonstrated that management fees payable to other comparable managed investment companies were significantly higher than those paid by Bailiwick, but it was also noted that the Performance Fee hurdle was unduly low. Consequently, the Management Fee has increased from 1% to 1.25% of the Adjusted Closing NAV, less cash or near cash investments and the Hurdle required in order for the Manager to earn a performance fee has been increased from 2% to 6% per annum above the Bank of England base rate. There has been an overall fee increase, but not a material one, noting that the last fee review was in 2011. These changes are effective from 1 January 2021.

The Board and the Manager take this opportunity to thank Michelle Scott for her wholehearted and valuable secretarial contribution over many years. She has been the person who has carried out, day to day, the secretarial duties on behalf of Saffery Champness Fund Services Ltd. Towards the end of last year, she advised her employer and the Board that the time had come to seek a change of career. She intends to pursue a part-time career unconnected with the financial services sector. She retired at the end of February 2021. We wish her well.

I am grateful to my fellow Directors for their unfailing commitment and availability. On behalf of the Board I take this opportunity to thank the Manager's team at Ravenscroft for its hard work in achieving a good result for 2020 and an encouraging start to 2021. I am particularly grateful for the commitment and dedication of their senior staff during a difficult time and I look forward to their continued support.

If shareholders have any concerns then they should address them in correspondence to the Company Secretary or approach me, or failing me, the Senior Independent Director.

Taking account of performance so far this year we anticipate with measured confidence that Bailiwick will deliver another good financial result for 2021.

Sir Geoffrey Rowland
Chairman
17 May 2021

BAILIWICK INVESTMENTS LIMITED

Portfolio movements for the year ended 31 December 2020

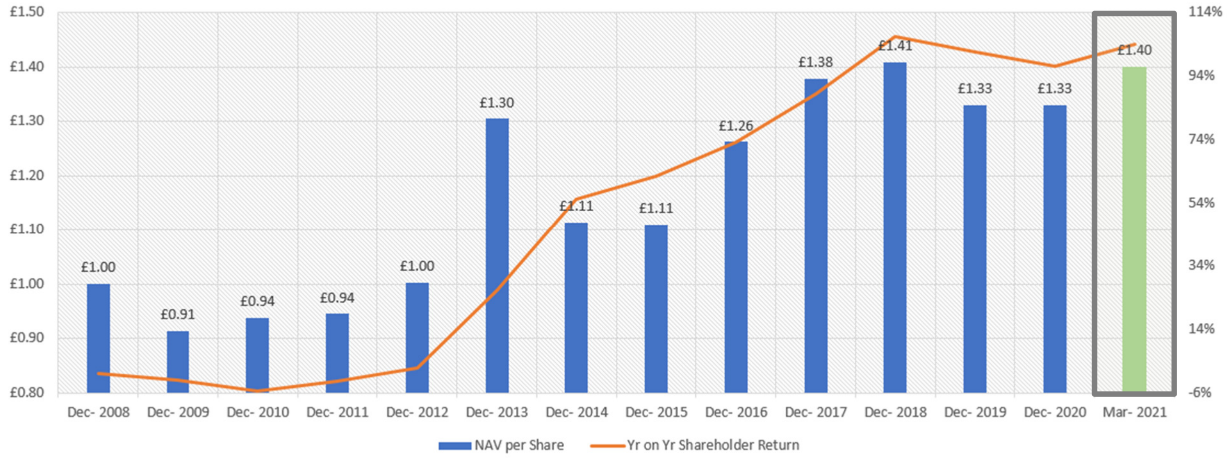
	Fair value at 1 January 2020 £	Investment £	Sale proceeds £	Realised and unrealised value movement £	Fair value at 31 December 2020 £
Listed investments - 60.57%					
The International Stock Exchange Group Limited	2,687,748	-		767,928	**3,455,676**
Jersey Electricity PLC	2,918,500		-	510,250	**3,428,750**
Polygon Group Limited	740,000	-	-	-	**740,000**
SandpiperCI Limited	23,244,401	-	-	749,820	**23,994,221**
SigmaRoc PLC	9,900,000	924,142	(564,155)	2,794,819	**13,054,806**
Total listed investments	39,490,649	924,142	(564,155)	4,822,817	**44,673,453**
Unlisted investments - 39.44%					
Bailiwick Investment Holdings Limited	49,434	4,781	-	(4,600)	**49,615**
Channel Islands Media Group Limited	4,887,875	540,000	(3,405,092)	17,217	**2,040,000**
FB Limited	2,219,753	100,590	-	166,278	**2,486,621**
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	-	(2,667,500)	**9,002,500**
Total unlisted investments	31,097,808	4,013,646	(3,405,092)	(2,623,249)	**29,083,113**
Totals	**70,588,457**	**4,937,788**	**(3,969,247)**	**2,199,568**	**73,756,566**

Performance overview

Ravenscroft Specialist Fund Management Limited (the "**Manager**") presents its report on the Company (also referred to in this report as "Bailiwick") for the year ended 31 December 2020, following a year of unprecedented challenges for the businesses within the portfolio. The primary focus of this report is, as always, to update shareholders on the performance and activities of the Company and its investee businesses during the period in question. It is worth noting that, despite the challenges the businesses faced from COVID-19, the Manager is very pleased with the outcome for the year and the success with which the portfolio has weathered the pandemic to date.

On 1 December 2020, the Board declared a dividend of 3.0p per share (2019: 3.0p). This was paid on 17 December 2020, taking the total dividend for 2020 to 5.5p per share (2019: 5.5p). The Manager is cognisant of the importance of dividends to Bailiwick's shareholders and maintaining these at a consistent level despite the wider economic challenges is reflective of how strongly the portfolio has performed.

The graph below shows the shareholder return (year on year) together with the year end Net Asset Value ("**NAV**") per Share since incorporation. The returns are calculated based on the movement in share price, plus the dividend paid in that calendar year.



The total shareholder return from inception to 31 December 2020 is 97% (2019: 102%) based on the cumulative dividends paid by the Company to date and the increase in share price.

The NAV per share dropped to a low of 113p in March 2020 following the Covid-19 outbreak with nearly every sector of the market falling due to the unprecedented nature of the pandemic and the resulting economic uncertainty. The management teams of the underlying investments responded swiftly and efficiently to the restrictions imposed during the pandemic, putting the safety and wellbeing of their staff and customers first. The Company rebounded quickly with its NAV per share recovering to 133p at the year end (2019: 133p) having paid total dividends of 5.5p in 2020. Each portfolio investment either outperformed or equalled its prior year valuation with the sole exception of Octane PCC Limited (the parent company of Jacksons CI Limited ("**Jacksons**")) which unfortunately saw a reduction in fair value, details of which are outlined further in this report.

The Company saw a number of valuation gains from its listed stock during 2020: SigmaRoc rose by 13p per share to 63p; The International Stock Exchange Group ("**TISEG**") rose 200p per share to 900p; and

Jersey Electricity PLC ("**JEL**") rose by 79p per share to 528p. These valuation gains contributed to a pleasing total net gain on financial assets for the year of £2.2m (2019: a net loss of £2.7m).

Investment income declined when compared to the previous year to £1.8m (2019: £2.5m). However, much of the decrease is attributable to the suspension by Jacksons of its dividend in the year, a decision that was taken to preserve that business.

The Company's cash and cash equivalents decreased during the year to £2.0m (2019: £6.9m). There were a number of significant cash outflows in the period: repayment of the £2m bank loan facility; a buyback of £480k of the Company's shares; dividend payments to shareholders of £3.1m; and new investment acquisitions totalling £3.2m - new investments being made in Oatlands, Jacksons, Channel Islands Media Group and Guernsey Recycling Group. Significant cash inflows in the period include investment income of £1.8m, disposal of SigmaRoc shares for £0.63m and the Company's share of the sale of the property occupied by the Guernsey Press for £3.5m.

Subsequent to the year end, the NAV per share continued to increase and stood at 140p as at 31 March 2021, driven by an increase in the valuation of a number of the Company's listed investments. Consequently, the share price (mid) has risen to 127p per share, resulting in a shareholder return since incorporation of 104%. The Company has strengthened its cash position since the year end, generating funds from a partial sale of SigmaRoc shares, a partial buyback of Jacksons' preference shares and dividends having been received from JEL and TISEG. This has taken the Company's cash position from £2.0m as at the balance sheet date to £3.75m as at the date of this report, providing a solid base of liquidity from which it can act on investment opportunities, respond to needs within its existing portfolio and service dividend expectations. The Company has no external debt in place and could look to reintroduce leverage to the structure to exploit further investment opportunities should they be identified.

The Board and the Manager remain focussed on the Company's objective of attaining long term capital growth, whilst continuing to be 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 Manager employs a team of experienced and qualified individuals who are responsible for sourcing, evaluating, negotiating and, where appropriate, concluding investments after approval by the Company's Board. The Manager continues to be actively involved with each of the investments in the portfolio with a view to ensuring they realise their full potential by providing advice and support to the underlying businesses. The Manager continues to seek out and review potential investment opportunities for the Company and reports to and advises the Board in relation to all of the above activities.

Portfolio review

SANDPIPERCI GROUP LIMITED ("Sandpiper") Investment: **Ordinary Shares**	TISE Listed: **SANDPI** % of Bailiwick's net assets: **32.55%** % of voting rights held: **29.99%**
Business Summary: Jersey-headquartered international retail and food service operator with over 80 stores across four countries, partnering with blue chip brands including Morrisons, M&S, Costa Coffee and Iceland.	

Sandpiper's predominant exposure to food retail has resulted in a strong performance during the COVID-19 pandemic with consumers eating almost exclusively at home. Whilst this was partially offset by a negative impact on non-food retail operations with a reduction in town centre footfall and temporary store closures, the overall result has been positive. Sandpiper reported gross revenue and trading EBITDA of £200.4m and £11.3m respectively for the twelve months to 30 January 2021, an uplift of 7% and 6% respectively compared to the prior year. Sandpiper announced on 14 May 2021 a dividend of 1.65p, an uplift of 10% on the previous dividend.

The strong performance enabled the business to seek further opportunities in line with its strategic plan, demonstrated by the business re-entering the Alderney market with the acquisition of Le Cocq Stores in September 2020. Sandpiper continues to expand its retail offerings by opening a new iQ Apple store in the Isle of Man and expanding its Wine Warehouse and Morrisons stores at Kensington Place, Jersey. In early 2021, Sandpiper opened Matalan franchises in both Guernsey and Jersey.

Sandpiper's high-quality and diversified portfolio enabled it to generate profits above budgeted levels despite the trading restrictions enforced during the pandemic. We continue to believe in the quality of the management team and its ability to perform robustly. Sandpiper's share price (mid) increased to 80p at the year end (2019: 78p) and further to 87p as at the date of this report.

SIGMAROC PLC ("SigmaRoc") Investment: **Ordinary Shares**	AIM Listed: **SRC** % of Bailiwick's net assets: **17.71%** % of voting rights held: **7.43%**
Business Summary: AIM listed buy-and-build construction materials company with the goal of generating shareholder value from a highly targeted investment strategy. SigmaRoc was founded to purchase Ronez in Guernsey and Jersey which was closely followed by a number of acquisitions in the UK and most recently in Belgium.	

SigmaRoc released a positive trading update in February 2021 confirming revenues of £124m for the 12 months ended 31 December 2020, representing a 77% increase over the prior year. The Group reported unaudited cash and cash equivalents of £27.4 million of which £12 million relates to the net proceeds from the equity raise as outlined below.

On 9 December 2020, SigmaRoc completed a placing for a total of 24.3 million shares at a price of 51p per placing share, raising gross proceeds of £12.4 million, with the Company participating for a total of 1.8 million shares. Subsequently, there was an uplift in the share price to 63p at the year end and 82p as at the date of this report.

The Company originally invested into SigmaRoc at 40p per share. In order to realise a portion of the profits generated, the Company sold 1.1m shares in January 2020 and a further 1.8m shares in early 2021.

In April 2021, SigmaRoc announced the acquisition of two Belgian concrete assets for a total cash consideration of £13m, funded with the proceeds from the placing in December 2020. This acquisition represents SigmaRoc's second European heavy construction materials platform and generates turnover of €22m and EBITDA of €3.3m.

SigmaRoc is a cash generative business and holds strong positions in its local markets. Despite the trading restrictions during lockdown, SigmaRoc has continued its excellent record of improving the returns in acquired businesses and has built a portfolio whose resilience is being proven through positive trading. The Manager is delighted with its performance to date and anticipates further progress in 2021.

GUERNSEY RECYCLING (1996) LIMITED ("GRG")	Private Company	
Investment: **B ordinary shares**	% of Bailiwick's net assets:	**15.62%**
	% of voting rights held:	**28.84%**
Business Summary: Guernsey-headquartered waste to resource management group operating in the Channel Islands, the UK and Cayman Islands		

GRG returned a robust performance in 2020 despite the impact of COVID-19 restrictions on its own operations and those of its customers. The group's EBITDA finished the year only 4% below its original budget, supported by a recovery in cardboard prices following a year of exceptionally low global commodity prices in 2019.

In June 2020, GRG continued its planned expansion strategy with the acquisition of Chloros Environmental Limited ("Chloros"), a hazardous waste business in the UK, complementary to GRG's other UK acquisitions. The Company participated in GRG's fundraise to acquire Chloros, increasing its holding to 28.84% (2019: 26.69%) on a fully diluted basis. 2021 has seen a strong start for GRG's UK operations with some UK entities generating a record month of revenue in March. Guernsey operations were temporarily affected during the second lockdown on the island but the business was able to transition smoothly in and out of lockdown and the group EBITDA finished ahead of budget for the quarter.

GRG's management team continues to explore further acquisition opportunities to complement its existing operations. The Manager continues to be impressed with its performance and ambition, and remains fully supportive of GRG's strategic plans.

JACKSONS GROUP LIMITED ("Jacksons") THE OCTANE PCC LIMITED - OCTANE CELL Investment: **Ordinary Shares** **Preference Shares**	Private Company % of Bailiwick's net assets: **12.22%** % of voting rights held: **39.52%**
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 high end brands such as Aston Martin, Audi, Bentley, BMW, Jaguar, Land Rover, Mercedes Benz, Mini, Porsche, Smart, and Volkswagen amongst others. Strongly asset-backed, with net assets equal to 65% of the valuation.	

Jacksons experienced challenging trading conditions over the first half of 2020 as the impact of the pandemic halted trading at various times across all of its jurisdictions. It was encouraging to see sales bounce back in June when the sites largely reopened for business, reporting operating profit and turnover ahead of original budgets for each month to the end of the year.

In January 2020, the Board of Jacksons undertook a £4m fundraise to cover working capital requirements as a result of significant trading impacts from the diesel emissions scandal and Brexit uncertainty. The Company invested £1m in new preference shares alongside existing investors, including Jacksons management.

Overall, taking into account the significant impact of the pandemic on the business, the Manager's view is that Jacksons delivered a commendable set of results for the year, finishing 2020 with total revenue down only 9% against budget. Whilst the trading results have unfortunately driven a reduction in fair value of £2.7m compared to the prior year, we are encouraged by the level of commitment and focus that management have shown this year and are confident that the business will continue to bounce back.

As a result of the excellent trading results reported in the latter half of the year, Jacksons generated sufficient cash to repay £2.4m of its preference shares subsequent to the year end, of which Bailiwick received £500k representing 50% of its original holding.

THE INTERNATIONAL STOCK EXCHANGE GROUP LIMITED ("TISEG") Investment: **Ordinary Shares**	TISE Listed: **TISEG** % of Bailiwick's net assets: **4.69%** % of voting rights held: **13.61%**
Business Summary: TISEG, headquartered in Guernsey, is the holding company of The International Stock Exchange Authority Limited which operates the investment exchange known as The International Stock Exchange.	

After initially deferring its final dividend as a result of the uncertainty that was created by the COVID-19 pandemic, TISEG declared dividends of 20p in April 2020, 30p in October 2020 and 35p in March 2021. A new dividend policy was announced in September 2020 committing to an expected pay-out ratio of 50% of profit after tax.

TISEG released a positive set of annual results for the year ended 31 December 2020, reporting £3.8m of profit and £8.36m of revenue, representing increases of 5% and 10% respectively over the prior year. Cash and cash equivalents at the year end stood at a healthy £10.7m, a 28% increase on the prior year.

A total of 3,162 securities were listed on TISEG at the end of December 2020, a rise of 6% year on year.

Overall, the 2020 results from TISEG are very encouraging and we are pleased to report a £9.00 mid-share price as at the year end, a 29% uplift from the prior year. Subsequent to the year end, the share price has risen further to £10.00.

JERSEY ELECTRICITY PLC ("JEL") Investment: **A Ordinary Shares**	LSE Listed: **JEL** % of Bailiwick's net assets: **4.65%** % of voting rights held: **2.12%**
Business Summary: The core business is the supply and distribution 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, which is unlisted.	

JEL generated revenue for the six months to 31 March 2021 of £67.1m, 4.5% higher than the same period in the prior financial year, with profit before tax up 5% from the prior year at £10.5m. The impact of lower unit sales in the hospitality and retail sectors, due to lockdown measures, was more than offset by increased domestic consumption associated with a combination of homeworking and a colder winter than the previous year. The net debt of £2.9m as at 31 March 2020 improved to a net cash position of £5.9m as at 31 March 2021.

JEL's financial performance has proven characteristically resilient in these unprecedented times. In addition, JEL announced on 13 May 2021 an increase of 6% in its interim dividend compared to the prior year. JEL has generated excellent returns for the Company and we are pleased to report a 17% uplift in share price against the previous year end valuation.

MITONOPTIMAL INTERNATIONAL LIMITED ("Miton") Investment: **Ordinary Shares** **5% Loan Notes** **6% Loan Notes**	Private Company % of Bailiwick's net assets: **4.41%** % of voting rights held: **11.41%**
Business Summary: independent, multi-asset investment managers with offices in the Channel Islands, UK and South Africa, focussed on the delivery of discretionary fund management and client portfolio management services to a global client base of intermediaries and private clients.	

Following the announcement that Scott Campbell, CEO of Miton and driving force of the business, had become seriously ill, the Board agreed to sell the individual constituent parts of Miton in order to facilitate an orderly wind up of the company and maximise remaining shareholder value.

Following this decision to wind up the company, Miton has disposed of a number of its subsidiary businesses and is in negotiation to sell off the remaining activities.

On this basis, we have reduced the Company's equity value to the expected net proceeds of sale being £250k (2019: £500k). We are confident that Miton will repay the full value of the Loan Notes upon sale, and therefore the value of the Loan Notes has not been impaired at year end.

OATLANDS VILLAGE (F B LIMITED) ("Oatlands")	Private Company	
Investment: **Ordinary Shares**	% of Bailiwick's net assets:	**3.37%**
Preference Shares	% of voting rights held:	**44.15%**

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 retail outlets and a popular restaurant, The Kiln. Oatlands also owns and operates Oaty and Joey's Playbarn ("the **Playbarn**"), Guernsey's premier children's attraction.

After a strong start to 2020, the Playbarn inevitably suffered significant losses during the initial lockdown as business operations were forced to close to customers. Despite this, we are pleased to report that revenues returned to pre-lockdown levels following the lifting of restrictions and met budget for the remainder of the year.

Oatlands has focussed on enhancing its property returns in 2020 by renewing a number of expiring leases on updated terms, ensuring valuations and returns remain robust. Oatlands management worked proactively with its tenants throughout the lockdown restrictions, maintaining good relationships without compromising overall returns.

There are a number of development opportunities at Oatlands, some of which are being realised. A major prospect already underway is the establishment of a drive-in and takeaway food service, being an extension of the Playbarn's existing food offering. This is expected to deliver a substantial increase in profit to the operational arm of the business.

Oatlands experienced a challenging start to 2021 as Guernsey headed into its second lockdown and the Playbarn was again required to close operations. It has been encouraging to see performance bounce back to pre-lockdown levels once more since the easing of restrictions in early March.

We are excited about the development opportunities presented by Oatlands and the strong performance we have witnessed outside lockdown restrictions.

CHANNEL ISLANDS MEDIA GROUP LIMITED ("CIMG")	Private Company	
	% of Bailiwick's net assets:	**2.77%**
Investment: **Ordinary Shares**	% of voting rights held:	**30.36%**

Business Summary: CIMG comprises two wholly owned subsidiaries: The Guernsey Press Limited ("**the GP**") and TPA Guernsey Limited ("**TPA**"). The GP is a key source of news and information across the Bailiwick of Guernsey. TPA is a professional services company creating marketing and digital development output across a range of media in Guernsey and Jersey, with a focus to grow its offering in Jersey.

The property occupied by the GP and two external tenants was sold in August 2020 for £7m after which the proceeds of the sale were distributed up to the shareholders (Bailiwick's proportion: £3.5m). At the same time, Bailiwick invested a further £540k into CIMG to part fund the acquisition of TPA for a total consideration of £4.8m, comprising a mix of 45% cash and 55% shares in CIMG of which 50% of cash was deferred. Consequently, the Company's equity holding was diluted to 30% (Dec 2019: 50%).

The GP inevitably saw a drop in advertising revenue for the year ended 31 December 2020 as local businesses sought to cut expenditure and preserve cash during the pandemic. TPA's performance has been resilient and consistent with its previous year results, generating EBITDA in line with budget.

The amalgamation of the GP and TPA will drive synergies through reductions in premises costs and back end operational efficiencies. The Investment Manager is optimistic that 2021 will see the beginning of the journey we envisaged of a transition to enhanced digital revenues with new product and service lines and an improved content delivery.

LE PLATON RESIDENTIAL HOME ("Le Platon") Investment: **7% Loan Notes due 2025**	Private Company % of Bailiwick's net assets: **1.02%** % of issued loan notes held: **57.69%**
Business Summary: Established in 1914 as a care home for elderly residents of Guernsey. 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 development wing completed in September 2020 and 20 beds were made available. Phase 2 and the final stage of the development commenced shortly after and is due to complete in the latter half of 2021.

POLYGON GROUP LIMITED ("Polygon") Investment: **8% bonds due May 2022**	TISE Listed: **POLYGONG** % of Bailiwick's net assets: **1.00%** % 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 across Guernsey and Jersey.	

The business continues to grow, issuing £3,015,000 of corporate bonds during the year with a coupon of 6%, maturing in June 2025, in order to facilitate the acquisition of a 35% shareholding in Advisa Group Limited.

<u>Environmental, Social and Corporate Governance ("ESG")</u>

ESG is increasingly important for investors and for the reputation of the Company itself. Both the Company and its underlying investments are committed to acting responsibly in this space. The Company's investment in Le Platon as described above is helping to provide much needed care facilities in Guernsey. Furthermore, we would highlight a number of key ESG initiatives being undertaken by the underlying investments:

- JEL continues to expand its renewables offering, installing Jersey's first solar hub combining a solar PV array and EV charge points;

- Amongst various ESG initiatives, SigmaRoc has developed Greenbloc, a concrete block which has low CO2 emissions;
- TISEG introduced a green market segment to support initiatives which protect or enhance the environment, successfully admitting four green bonds to its exchange's official list in 2020;
- Jacksons has invested in its electric infrastructure with the installation of charge points in its forecourts, establishing fully equipped workshops in order to accommodate electric servicing and ensuring staff are adequately trained; and
- GRG's activity by its nature is focussed on green initiatives, with over 80% of waste received being either recycled or recovered.

The Manager places importance on ESG alongside its commitment to achieving the Company's performance objectives, and is continuously looking for suitable opportunities to build on the existing initiatives within the portfolio.

Ravenscroft Specialist Fund Management Limited

17 May 2021

The Directors are pleased to present their annual report together with the audited financial statements of Bailiwick Investments Limited (the "Company") for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ("IASB").

Background

The Company is a closed-ended investment company registered under the provisions of the Companies (Guernsey) Law, 2008 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") under the mnemonic "BAIL".

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 Statement of Comprehensive Income on page 36. During the year, following approval by the Directors, the Company paid an interim dividend of 2.50 pence per share on 12 June 2020, and a final dividend of 3.00 pence per share on 17 December 2020 (2019: an interim dividend of 2.50 pence per share on 20 June 2019, and a final dividend of 3.00 pence per share on 17 December 2019).

Net assets

At 31 December 2020, the Company had net assets of £75,830,478 (2019: £76,563,117).

Going concern

The Directors, having considered the Company's objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future.

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 and the Directors have been impressed by the response of the investee businesses to the pandemic. Whilst investment income was understandably lower than prior years, the Company has maintained its own recent dividend levels from its healthy reserves.

The Company is currently in a healthy net asset position and holds a variety of quality assets with no leverage. Current assets include cash reserves at 31 March 2021 of £3.6 million which would be used to fund any liabilities that become due or payable. The Company's liquidity is further supported by a portfolio of listed investments with a year end fair value of £44.6 million which could be sold in a worst case scenario.

Accordingly the financial statements have been prepared on a going concern basis.

The Alternative Investment Fund Managers Directive

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

Corporate governance

A report on corporate governance is included on pages 20 to 28.

Directors

The Directors who served on the Board during the year, together with their beneficial interests at 31 December 2020 and at 31 December 2019, were as follows:

	2020		2019	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	805,000	1.41%	705,000	1.23%
Susie Farnon	327,118	0.57%	327,118	0.57%
John Henwood	100,000	0.18%	75,000	0.13%

In addition, the following Directors have beneficial interests at 31 December 2020 and at 31 December 2019 in Ravenscroft Holdings Limited, the holding company of the Manager, as follows:

	2020		2019	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	150,000	1.07%	150,000	1.07%
Susie Farnon	70,000	0.50%	70,000	0.50%

Directors' Information

Sir Geoffrey Rowland (appointed 5 October 2016)

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

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

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

Susie Farnon (appointed 30 June 2018)

Susie Farnon is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified as an accountant in 1983. She is a non-executive director of a number of property and investment companies. Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999.

She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of the States of Guernsey Audit Commission and Vice-Chairman of the GFSC. Susie was appointed as a non-executive director of the Association of Investment Companies, the UK Investment Companies’ trade body, on 1 April 2018.

John Henwood MBE (appointed 22 September 2008)

John Henwood is Non-Executive Chairman of G4S Secure Solutions, Jersey, and a Non-Executive Director of several other entities. During a career in broadcasting he was CEO of the Channel Television (ITV) Group and held a number of wider industry positions. He was appointed MBE for services to broadcasting and the community in 1998. In 2001 he was appointed Chairman of Jersey Telecom and led the former States’ department through incorporation; he was also a founding Director of Jersey Finance. More recently he led the transformation of the States’ Tourism department into Visit Jersey, an independent agency.

John is a Trustee of the Lloyds Bank Foundation and a former Chairman and President of the IoD in Jersey. In 2016 he was only the second person to be given the IoD’s Lifetime Achievement Award.

Kevin Keen (appointed 1 April 2021)

Kevin Keen is a Fellow of The Association of Chartered Certified Accountants, The Chartered Institute of Management Accountants and is a Chartered Director. He has held a wide range of senior roles over a long career in Jersey, including Finance Director of Le Riche Group, Managing Director of Le Riche's Stores, Managing Director of Jersey Dairy, Chief Executive of Jersey Post and Chairman of Jersey Water.

Kevin is currently Chairman of the Association of Jersey Charities and serves on the boards of a number companies that trade in Jersey.

Significant shareholdings

The following shareholdings represent interests of 10 per cent or more of the shares of the Company as at 31 December 2020:

	2020		2019	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited – KGCLT	51,254,317	89.92%	52,943,317	92.24%

Environmental, Social and Governance ("ESG")

The Board acknowledges that ESG issues are becoming increasingly important among investors and the broader society. The Investment Manager's report details the results of a review undertaken of the material ESG initiatives of the Company's investments. The Company itself has a low carbon footprint as it does not have its own office. Once travel between Guernsey and Jersey is able to resume later this year the Company will arrange for a carbon offsetting payment to be made in respect of Directors' flights.

Ravenscroft is constantly looking at ways to enhance and improve its working practices and processes. Environmental, social and governance factors are key areas the business considers when assessing such change and improvement. The Company's administrator, Saffery Champness, are working with their stakeholders to constantly refine internal social and governance factors and, importantly, to assess and challenge the current environmental impact of their operations and to drive tangible improvements.

Statement of directors' responsibilities in respect of financial statements

The Directors are responsible for preparing financial statements for the period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the Companies (Guernsey) Law, 2008, as amended (hereinafter referred to as the Companies (Guernsey) Law, 2008). Under the Companies (Guernsey) Law, 2008, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (''IFRS''). In preparing these 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 the financial statements have been prepared in accordance with IFRS subject to any material departures disclosed and explained in the financial statements; and
- prepare the 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 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.

Statement of disclosure to auditor

The Directors confirm that they have complied with the above requirements in preparing the 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;

(b) in the opinion of the Board, the annual report and 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 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 they have taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Secretary

The Secretary of the Company at 31 December 2020 was Saffery Champness Fund Services Limited.

Independent auditor

The independent auditor, Grant Thornton Limited, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the 2021 Annual General Meeting.

Sir Geoffrey Rowland
Chairman

17 May 2021

The Directors present their Corporate Governance Report for the year ended 31 December 2020.

The AIC Code of Corporate Governance

The Company is a member of the Association of Investment Companies (the "AIC") , and the Board of the Company has applied the principles and recommendations of the AIC Code of Corporate Governance Guide for Investment Companies in the preparation of this Annual Report. The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

This Corporate Governance Report addresses each of the principles of the AIC Code in turn under the five main areas of: board leadership and purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration.

Board leadership and purpose

AIC Code principles

A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

How the principles are addressed

The Board regularly assesses the basis on which the Company generates and preserves value over the long-term. The Board considers formal strategy reports prepared by the Investment Manager at a separate meeting at least once a year. Together with the Manager, the Board is committed to the active management of the investment portfolio to ensure the best possible returns for shareholders. The Manager continues to explore other investment opportunities for future investment by the Company. The Board regularly considers the risks to the Company's future success and details of the risk mitigation policies are included in this report.

During the year, the Board has undertaken a comprehensive evaluation of its own performance and that of individual Directors including their independence. This was conducted using detailed questionnaires. The Board has considered and discussed the outcomes of the evaluations and is satisfied that it is operating well, focused on the correct strategic issues and has policies and practices which are aligned with the Company's purpose, values and strategy.

The Company places a great deal of importance on communicating clearly and openly with its shareholders. The Board welcomes correspondence from shareholders, addressed to the Company's registered office. All shareholders have the opportunity to attend and vote at the Annual General Meeting and put questions to the Board and the Manager. The Board hopes that as many shareholders as possible will attend the meeting.

In accordance with the AIC code the Board also consults with shareholders where 20% or more vote against a resolution and an update is published within six months and a summary of each qualifying vote will be presented in the Annual report. At the Annual General Meeting held on 4 August 2020 there were no votes against the resolutions.

Division of responsibilities

AIC Code principles

The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board’s decision making.

Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.

The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

How the principles are addressed

The AIC Code recommends that the responsibilities of the chair, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. Each Director of the Company has an appointment letter setting out in detail their appointment, time commitment, role and other requirements. In addition, the Company has terms of reference for its Committees.

Sir Geoffrey Rowland fulfils the role of independent Non-Executive Chairman of the Board of Directors. There have been no significant changes to the external commitments of the Chairman during the year. The Chairman is responsible for the leadership of the Board, the creation of conditions necessary for overall Board and individual Director effectiveness and ensuring a sound framework of corporate governance, which includes a channel for shareholder communication.

The responsibilities of the Chairman include, but are not limited to:

- chairing the Board and general meetings of the Company, including setting the agenda of such meetings;
- promoting the highest standards of integrity, probity and corporate governance throughout the Company, and in particular at Board level;
- ensuring that the Board receives accurate, timely and clear information;
- ensuring effective communication with shareholders of the Company;
- facilitating the effectiveness of the contributions and constructive relationships between the Directors of the Company; and
- ensuring that the performance of the Board, its Committees and individual Directors is evaluated at least once a year.

The AIC Code recommends that when making new appointments the board should take into account other demands on directors' time. The AIC Code also recommends that additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. Under the terms of appointment each Director must inform the Board before accepting any additional appointments that they are intending to undertake.

A summary of the Directors' attendance at meetings during 2020 to which they were eligible to attend is provided below.

Board and committee meeting attendance	**Formal Board meetings**	**Audit Committee meetings**
Sir Geoffrey Rowland	9 / 9	4 / 4
Susie Farnon	9 / 9	4 / 4
John Henwood	9 / 9	4 / 4

In addition, all the above Directors attended a meeting of the Nomination Committee, a meeting of the Remuneration Committee and a strategy meeting. Kevin Keen was appointed on 1 April 2021 and was therefore not eligible to attend meetings in 2020.

The Board is usually composed of three Non-Executive Directors who are independent of the Manager. The Directors' biographies can be found on page 17. The Board has carefully considered the Directors' independence including taking into consideration material business relationships (Susie Farnon has been a Director of the Manager within the last three years and is also a shareholder of the parent company of the Manager; Sir Geoffrey Rowland is also a shareholder of the parent company of the Manager) and tenure and has determined that all Directors discharge their duties in an independent manner. Kevin Keen joined the Board with effect from 1 April 2021. John Henwood, MBE, has decided not to seek re-election at the next AGM having been a director of the Company for the past 12 years.

The AIC Code recommends that the Board should appoint one of the independent Non-Executive Directors as Senior Independent Director. John Henwood is currently the Senior Independent Director.

The position of Senior Independent Director provides shareholders with someone to whom they can turn if they have concerns which they cannot address through the normal channels, for example with the Chairman, and is available as an intermediary between fellow Directors and the Chairman. The role serves as an important check and balance in the governance process. The role of the Senior Independent Director includes, but is not limited to:

- providing a sounding board for the Chairman and serving as an intermediary for the other Directors when necessary; and
- being available to shareholders if they have concerns which contact through the normal channels of Chairman has failed to resolve or for which such contact is inappropriate.

The Board has engaged external companies to undertake the investment management, administrative, secretarial 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.

In addition to the formal Board meetings there is regular contact with the Manager and other advisors and service providers. 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 formally met with the Manager on five occasions throughout the financial year and there are regular adhoc meetings with the Chairman and other members of the Board.

The Company has appointed Saffery Champness Fund Services Limited as Administrator and Company Secretary of the Company. The Administrator is responsible for the Company's general administrative requirements such as the calculation of the Net Asset Value and maintenance of the Company's accounting and statutory records. The Administrator is licensed by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law to act as ''designated administrator'' under that law and provide administrative services to closed-ended investment funds.

The Board ensures that it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or Committee meeting to enable them to make further enquiries about any matters prior to the meeting, should they so wish. This also allows Directors who are unable to attend to submit views in advance of the meeting.

<u>Composition, succession and evaluation</u>

AIC Code principles

Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

How the principles are addressed

The Board recognises the importance of its members having an appropriate range of diverse skills, specialist knowledge, experiences and independent thinking that are relevant to the Company. Board members should add value and deliver performance. For its composition the Board seeks to achieve evolution, continuity and stability.

Appointments to the Board are made on merit with due regard for the benefits of diversity, including gender. The priority in appointing new Directors is to identify the candidate with the best range of skills and experience to complement the existing Directors. The Nomination Committee conducted a formal recruitment process in 2021 with criteria that included the wish for representation from Jersey and a short list of candidates was identified. Kevin Keen was appointed with effect from 1 April 2021. He has significant experience across a diverse range of companies and businesses in Jersey, having held senior roles at Le Riche Group, Jersey Dairy, Jersey Water, Jersey Post, Voisins Department Store, Jersey Public Accounts Committee, the Jersey Chamber of Commerce and Visit Jersey over the past 40 years.

The Board has chosen not to adopt a definitive policy for board diversity. However gender diversity, knowledge, experience and governance credentials are all considered when recommending appointments to the Board and in formulating succession plans. With one female Director, the Board meets diversity targets recommended by the Hampton Alexander Review.

The Company has a Nomination Committee which comprises at least three directors with a majority being independent Non-Executive Directors.

The AIC Code recommends that the Board have a policy on tenure of the Chairman. The Board does not consider it appropriate that Directors should be appointed for a specific term but acknowledges the need for periodical refreshment and diversity. John Henwood has served the Company as a Director for the past 12 years and has decided not to seek re-election at the next AGM. The Board considered him to be independent with valuable experience of CI companies and substantial experience in the affairs of the Company. The Chairman was appointed as a Director in 2016 and was appointed Chairman in 2018, Susie Farnon was appointed in 2018 and Kevin Keen was appointed with effect from 1 April 2021.

The Board has determined that all Directors will be subject to election annually by shareholders at the Annual General Meeting (‘AGM’) in accordance with the AIC Code recommendation.

As previously reported, Directors undertake a comprehensive annual evaluation of their own performance and that of individual Directors and the Board as a whole using detailed questionnaires. The Board has considered and discussed the outcomes of the evaluations and is satisfied that it is operating well.

Audit, risk and internal control

AIC Code principles

The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.

The board should present a fair, balanced and understandable assessment of the company’s position and prospects.

The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

How the principles are addressed

Audit committee

The Board has established an Audit Committee, which the Board has decided should consist of all three Non-Executive Directors in view of the small size of the Board. The Audit Committee meets formally at least three times a year and is chaired by Susie Farnon who has recent and relevant financial experience. The ultimate responsibility for reviewing and approving the annual report and financial statements remains with the Board.

The main roles and responsibilities of the Audit Committee include:

- reviewing in detail the content of the interim report and this annual report, the work of the service providers in producing it and the results of the external audit (the ultimate responsibility for reviewing and approving the annual report and financial statements remains with the Board);
- considering those areas of judgement or estimation arising from the application of International Financial Reporting Standards to the Company's activities and documenting the rationale for the decisions made and estimation techniques selected. This includes the valuation of investments;
- focusing on compliance with legal requirements, the AIC Code, accounting standards and the TISE Rules and ensuring that the Company has an effective system of internal controls, including financial, operational and compliance controls and risk management systems and has procedures in place for the review of such controls on an annual basis;
- keeping under review the policy on the supply of non-audit services by the external auditors, which has taken into account ethical guidance and related legislation;
- conducting an annual review of the performance of the external auditor, which has included a general review of the co-ordination of the external audit function with the activities of the Company, any appropriate internal controls, the suitability and independence of the external auditor;
- conducting an annual review of the risk control framework with the assistance of the Investment Manager and the Company Secretary;
- meeting with the external auditors to review and discuss their independence, objectivity and proposed scope of work for their audit of this annual report and financial statements; and
- meeting with the Company's principal service providers to review the controls and procedures operated by them to ensure that the Company's operational risks are properly managed and that its financial reporting is complete, accurate and reliable.

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

Risk management and internal controls

The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee. The work of the Audit Committee is driven primarily by the Company's assessment of its principal risks and uncertainties, which are detailed below, and it receives regular reports from the Investment Manager and the Administrator on the Company's risk evaluation process and reviews changes to significant risks identified.

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

The Board tracks investment valuation risk throughout the year and receives regular updates from the Investment Manager. Other principal risks identified by the Board include market risk, credit risk and liquidity risk. Details of the mitigation of these risks can be found in note 11 to the financial statements.

The Board is responsible for establishing and maintaining the Company's system of internal control. The audit committee is responsible for reviewing the company's internal financial controls and internal control and risk management systems. 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, company secretarial and registrar duties including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements, which are independently audited;
- 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 and board reports produced by the Manager and the Administrator at each quarterly board meeting. A representative from the Manager is asked to attend these meetings; 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 all of whom have formal contractual agreements in place. The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Manager, Administrator and the Company Secretary and Registrar, including their own internal review processes, and the work carried out by the Company's external auditors, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

At its quarterly meetings the Audit Committee reviews an in-depth Risk Matrix setting out the Company's risk exposure and the effectiveness of its risk management and internal control systems. The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed and to highlight any emerging risks.

Review of the Independent Auditor

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

The Company undertook an audit tender process in 2019. The existing auditors, Grant Thornton, and two other audit firms were invited to tender. One firm chose not to participate and the other firm withdrew during the tender process. The audit committee reviewed the audit tender presented by Grant Thornton and recommended to the Board that Grant Thornton should continue in their role as auditor to the Company. The auditor is required to rotate the audit partner responsible for the audit every five years.

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

The Audit Committee, having considered the auditor's performance during their period in office, recommends re-appointment. The audit fees of £33,400 (2019: £30,000) for Grant Thornton Limited 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 and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Audit Committee met with the auditors twice during the year. Significant issues considered by the Audit Committee since 1 January 2020 have been the review of the annual report and audited financial statements for the year ended 31 December 2019 and the half yearly report and unaudited condensed financial statements for the period from 1 January 2020 to 30 June 2020.

The Audit Committee received from Grant Thornton Limited a detailed audit approach memorandum, identifying their assessment of high risk areas of the audit. For the period under review, the significant risks identified were in relation to the fair valuation of investments as it forms the majority of the Company's net asset value and it is, by its nature, subjective, improper revenue recognition and management over-ride of controls. The Audit Committee has considered the significant judgements made in the Annual Report and Financial Statements. The Audit Committee pays particular attention to the matters it considers to be important by virtue of size, potential impact, complexity and level of judgement. The Audit Committee has considered the valuation of Level 3 investments at fair value through profit or loss. It is satisfied that the valuations are in accordance with the Company's accounting policies and that the carrying values used in these financial statements represent an appropriate fair value.

Remuneration

AIC Code principles

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.

A formal and transparent procedure for developing policy remuneration should be established. No director should be involved in deciding their own remuneration outcome.

Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

How the principles are addressed

The Company has established a Remuneration Committee which comprises at least three directors with a majority being independent Non-Executive Directors.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate Directors of a quality required to run the Company successfully. Remuneration for all Non-Executive Directors does not include share options or other performance-related elements. Provision can be made for additional Directors' fees where Directors are involved in duties beyond those normally expected as part of the Director's appointment. There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

Details of Directors fees can be found in note 3 to the financial statements.

To the members of Bailiwick Investments Limited

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Bailiwick Investments Limited for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board "IASB".

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the Company's profit for the year then ended;
- are in accordance with IFRSs as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the IESBA Code of Ethics as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included obtaining cashflow forecasts for a period of at least 12 months from the anticipated audit report and reverse stress testing the model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Our approach to the audit

	Overview of our audit approach
	Overall materiality: £758,305**,** which represents 1% of the Company's Net Assets.
	Key audit matters were identified as: • Valuation of investments – this is consistent with the prior year.

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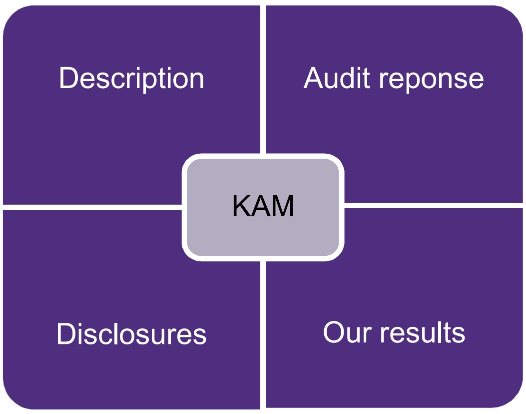
Our level of materiality ensured we scoped in significant balances, transactions and disclosures in the financial statements which included investment income, material expenditure line items, cash and cash equivalents and equity. There were no changes to our scoping compared to the prior year.

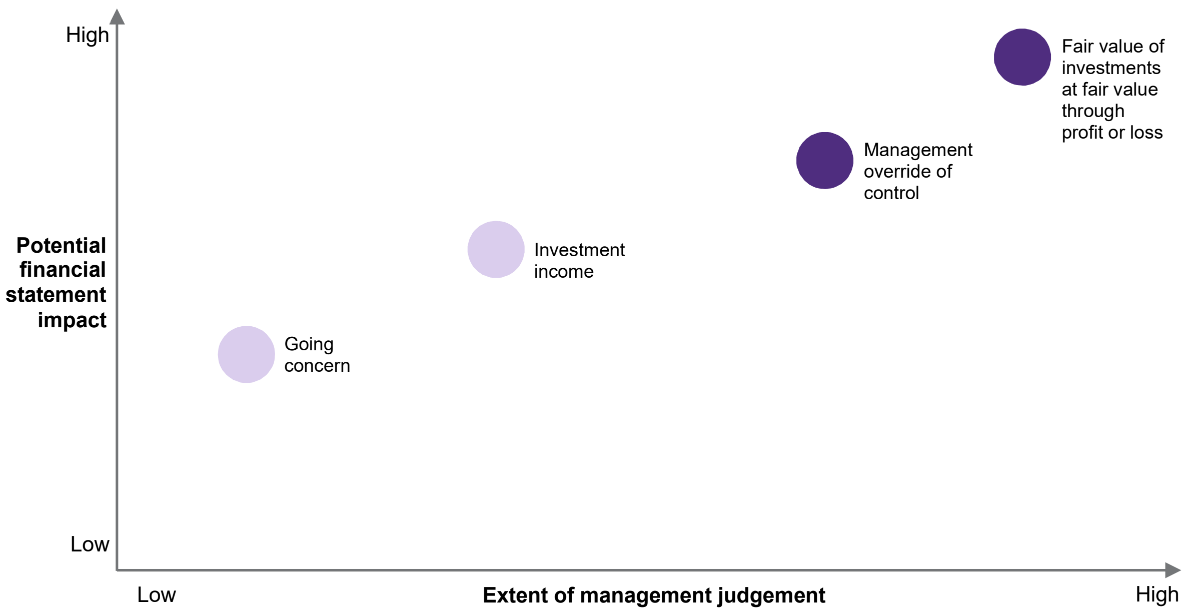
Key audit matters

Key audit matters



Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter	How the matter was addressed in the audit
Valuation of investments The valuation of the Company's investment portfolio is a key driver of the Company's investment return and represents a material proportion of the Company's net assets. The movements in the investment portfolio are shown in Note 5 to the financial statements. A material portion of the portfolio is comprised of unquoted investments, and is valued using unobservable inputs (defined as 'Level 3' of IFRS 13's fair value hierarchy). Inappropriate assumptions made in determining the fair value of these Level 3 financial assets could have a significant impact on the net asset value and the return generated for shareholders.	With the assistance of our valuation experts, we performed the following procedures for a sample of material investments in the Company's portfolio: • Assessed that the valuation methods adopted by management to value the financial assets within the investment portfolio, and conclusions reached, were consistent with IFRS; • Assessed the reasonableness of key valuation inputs, such as EBITDA multiples applied in the valuation models against current market and comparable transaction data; • Directly corroborated the validity of underlying financial information used in valuation calculations to management information provided directly from the investee companies; and • Considered the appropriateness of valuation techniques used to value Level 3 financial assets at fair value through profit or loss based on methods used by market participants to value similar instruments. The Company's accounting policy and other disclosures on financial assets designated at fair value through profit or loss are included in Notes 2(a) and 6 to the financial statements. **Key observations** We confirm that there were no significant matters arising from our audit work on the valuation of the overall investment portfolio including the techniques used and other key valuation inputs.

Our application of materiality

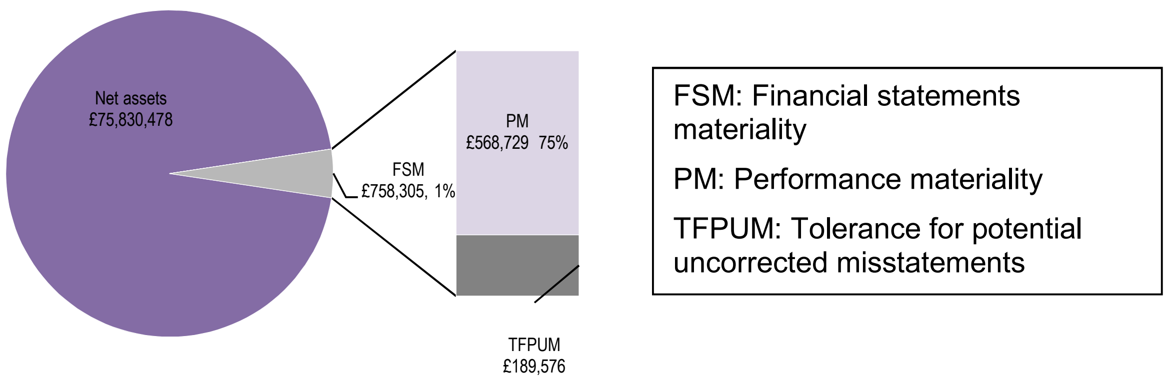
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£758,305, which represents 1% of the Company's Net Assets.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: The benchmark is considered the most appropriate because the users of the financial statements are sensitive to changes in net asset value as an indicator of the value of their investment in the Company.

Materiality measure	**Company**
	We selected a mid-point within the acceptable range based on the client being listed on The International Stock Exchange with a diverse group of members who are not all actively involved in the operations of the Company. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2019 to reflect the movement in net assets to the current year end.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£568,729 which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements which resulted in the higher end of the performance materiality range being selected: - Low number and value of historic misstatements; - Consistency of the financial reporting system and effective design of internal controls; and - Existing client with continuity of the engagement team involved.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	We have determined a lower level of specific materiality for certain areas such as directors' remuneration, legal and professional fees and related party transactions.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£37,915 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overall materiality



An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk based, and in particular included:

- Evaluation by the audit team of significant risk transactions and balances to determine the planned audit response based on a measure of materiality;
- Understanding and evaluation of the Company's internal control environment including its IT systems and controls;
- Testing the design and implementation and key controls applicable to calculation and reporting of quarterly unquoted investment fair valuations;
- Responding to risks of material misstatement through the performance of substantive procedures. Significant risks identified during risk assessment included management override of controls, improper revenue recognition and valuation of unquoted financial assets held at fair value through profit or loss; and
- Engaging an audit expert to undertake key reviews of the appropriateness of valuation models and subjective inputs and/or assumptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 28 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

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

Responsibilities of those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 18 the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the

Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 19 May 2021

BAILIWICK INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Income			
Net gain/(loss) on financial assets at fair value through profit or loss	5	**2,199,568**	(2,731,878)
Investment income		**1,837,691**	2,474,301
		4,037,259	(257,577)
Expenses			
Performance fee	3	**(67)**	(394,920)
Management fee	3	**740,635**	708,146
Loan interest expense		**46,346**	147,472
Administration and other expenses	4	**367,984**	403,849
		1,154,898	864,547
Total profit/(loss) and comprehensive income for the year		**2,882,361**	(1,122,124)
Weighted average shares in issue during the year		57,033,880	57,400,000
Earnings per ordinary share (basic and diluted)	17	**£0.05**	-£0.02

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
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Assets			
Financial assets at fair value through profit or loss	5, 6	**73,756,566**	70,588,457
Due from broker		**13,386**	605,680
Other receivables and prepayments	7	**165,884**	543,789
Cash and cash equivalents	8	**2,017,745**	6,907,726
Total assets		**75,953,581**	78,645,652
Liabilities			
Borrowings	9	-	2,017,410
Other payables	10	**123,103**	65,125
Total liabilities		**123,103**	2,082,535
Net assets		**75,830,478**	76,563,117
Equity			
Share capital	12	-	-
Share premium	12	**59,882,718**	60,362,718
Retained earnings		**15,947,760**	16,200,399
Total equity		**75,830,478**	76,563,117
Net asset value per ordinary share	14	**1.3304**	1.3339

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

Sir Geoffrey Rowland
Chairman

17 May 2021

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

BAILIWICK INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 January 2019	-	60,362,718	20,479,523	80,842,241
Total loss and comprehensive income for the year	-	-	(1,122,124)	(1,122,124)
Dividends	-	-	(3,157,000)	(3,157,000)
Balance at 31 December 2019	-	60,362,718	16,200,399	76,563,117
Share buy back 31 January 2020	-	(480,000)	-	(480,000)
Total profit and comprehensive income for the year	-	-	2,882,361	2,882,361
Dividends	-	-	(3,135,000)	(3,135,000)
Balance at 31 December 2020	-	59,882,718	15,947,760	75,830,478

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

BAILIWICK INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Total profit/(loss) and comprehensive income for the year		**2,882,361**	(1,122,124)
Adjusted for:			
Decrease/ (increase) in amounts due from/to broker		**592,294**	(600,266)
Decrease/(increase) in other receivables		**377,905**	(339,057)
Increase/(decrease) in other payables		**57,978**	(280,401)
Purchase of financial instruments	5	**(4,397,788)**	(10,798,182)
Proceeds from sale of financial instruments	5	**3,429,247**	17,880,900
Net (gain)/loss on financial assets at fair value through profit or loss	5	**(2,199,568)**	2,731,878
Loan interest expense		**46,346**	147,472
Net cash flows from operating activities		**788,775**	7,620,220
Cash flows from financing activities			
Share buy back		**(480,000)**	-
Loan interest paid		**(63,756)**	(135,819)
Repayment of borrowings		**(2,000,000)**	(3,400,000)
Dividends paid to shareholders	13	**(3,135,000)**	(3,157,000)
Net cash flows used in from financing activities		**(5,678,756)**	(6,692,819)
Net (decrease)/increase in cash and cash equivalents		**(4,889,981)**	927,401
Cash and cash equivalents at start of year		**6,907,726**	5,980,325
Cash and cash equivalents at end of year		**2,017,745**	6,907,726

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 under the Companies (Guernsey) Law, 2008, 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

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

Statement of compliance and basis of preparation

The financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and effective at 31 December 2020; and comply with the Companies (Guernsey) Law, 2008.

The 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.

Going concern

The Directors, having considered the Company’s objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future.

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 and the Directors have been impressed by the response of the investee businesses to the pandemic. Whilst investment income was understandably lower than prior years, the Company has maintained its own recent dividend levels from its healthy reserves.

The Company is currently in a healthy net asset position and holds a variety of quality assets with no leverage. Current assets include cash reserves at 31 March 2021 of £3.6 million which would be used to fund any liabilities that become due or payable. The Company’s liquidity is further supported by a portfolio of listed investments with a year end fair value of £44.6 million which could be sold in a worst case scenario.

Accordingly the financial statements have been prepared on a going concern basis.

Basis of consolidation

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 a group. Unconsolidated subsidiaries are classified as fair value through profit or loss in accordance with IFRS 9 and measured at fair value. There are no consolidated subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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 statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include using valuation models based on a multiple of earnings, percentage of funds under management, multiple of gross margin; and also on freehold property valuations and recent purchase prices. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 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 in accordance with 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 management 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;
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.
- An entity has more than one investment;
- An entity has more than one investor;
- An entity has investors that are not related parties of the entity; and
- An entity has ownership interests in the form of equity or similar interests.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments and revisions effective from 1 January 2020

The accounting policies adopted are consistent with those of the previous financial period. The Company adopted the following new and amended relevant IFRS in the period:

IFRS 7 Financial Instruments: Disclosures (amendments regarding pre-replacement issues in the context of the IBOR reform Phase 1)

IFRS 9 Financial Instruments (amendments regarding pre-replacement issues in the context of the IBOR reform Phase 1)

IAS 1 Presentation of Financial Statements (amendments regarding the definition of material)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments regarding the definition of material)

The adoption of these accounting standards did not have any effect on the Company’s Statement of Financial Position or equity.

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

The International Accounting Standards Board (“IASB”) has issued/revised a number of relevant standards with an effective date after the date of these financial statements. Any standards that are not deemed relevant to the operations of the Company have been excluded. The Directors have chosen not to early adopt these standards and interpretations and they do not anticipate that they would have a material impact on the Company’s financial statements in the period of initial application.

IFRS 9 Financial Instruments (amendments resulting from Annual Improvements to IFRS Standards 2018-2020) - Effective date of 1 January 2022

IAS 1 Presentation of Financial Statements (amendments regarding the classification of liabilities) - Effective date of 1 January 2022

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments regarding the costs to include when assessing whether a contract is onerous) - Effective date of 1 January 2022

Functional and presentation currency

The performance of the Company 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 Company's functional and presentation currency.

Financial assets and financial liabilities

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

Financial instruments

The Company's investment portfolio is classified as financial assets at fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

(a) Classification

In accordance with IFRS 9 the Company classifies its financial assets and financial liabilities at initial recognition into the following categories of financial assets and financial liabilities discussed below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash, amounts due from broker, accrued income and other receivables.

Financial assets at fair value through profit or loss

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective to manage them on a fair value basis for investment income and fair value gains. Consequently, all investments are measured at fair value through profit or loss.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category other short-term payables and borrowings. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the income statement. Any gain or loss on derecognition is also recognised in the income statement.

(b) Recognition

Financial assets at fair value through profit or loss are recognised when the Company 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.

(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. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss. The Company records its transactions in investments and the related revenue and expenses on a trade date basis. Unrealised gains and losses comprise changes in the fair value of financial instruments at the period end. These gains and losses represent the difference between an instrument's initial carrying amount and disposal amount. Dividends or interest earned on these instruments are recorded in the statement of comprehensive income. Fair value is determined in the manner described in note 6.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(d) Impairment

The Company holds receivables at amortised cost with no financing component and which have maturities of less than 12 months. The Company has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar assets) is derecognised where:

• The rights to receive cash flows from the asset have expired; or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and

• Either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(f) 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 Company.

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, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm’s length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Due to/from brokers

The Company utilises Ravenscroft (CI) Limited for its trading and custodial activities. The clearing and depository operations for the Company's custodial activities are performed pursuant to agreements with Ravenscroft (CI) Limited. Due to/from brokers includes cash balances. The Company estimates that the net realisable amount of all due to/from brokers balances at 31 December 2020 does not differ materially from the carrying values recorded in the statement of financial position 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 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 amortised over the life of the related borrowings.

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

Ordinary shares

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary Shares are recognised as a deduction from equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Funds received from the issue of Ordinary Shares are allocated to share capital, to the extent that they relate to the nominal value of the Ordinary Shares, with any excess being allocated to distributable reserves.

Segmental reporting

In accordance with IFRS 8, Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance.

Management information for the Company as a whole is provided internally for decision making purposes. The Directors' decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis. Therefore, the Directors are of the opinion that the Company is engaged in a single economic segment of business for all decision making purposes and no segmental reporting is required. The financial results of this segment are equivalent to the results of the Company as a whole.

Income and expenses

Investment income comprises interest income and dividend income. 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 through profit or loss. Dividend income is recognised when the right to receive payment is established.

Expenses are recognised on an accruals basis.

Taxation

The Company is eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, and has paid an annual exemption fee of £1,200 (2019:£1,200).

3 MATERIAL AGREEMENTS

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

Administration fees

The Administrator is entitled to receive an annual fee equal to 0.15% of the Net Asset Value ("NAV") of the Company payable quarterly in arrears, subject to a minimum annual fee of £60,000. The Administrator is also entitled to an annual fee of £5,000 in respect of registrar services. Administration fees accrued in the current year amounted to £108,152 (2019: £125,417) and as at year end a payable of £28,602 (2019: £28,809) was due to the Administrator.

Management fees

On 26 May 2020 under the terms of a Novation Agreement the Company novated the existing Investment Management Agreement from Ravenscroft Limited to Ravenscroft Specialist Fund Management Limited with effect from 1 June 2020. There was no changes to the fees charged as a result of the change of Manager. 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. On 22 March 2021 the Investment Management Agreement with Ravenscroft Specialist Fund Management Limited was amended with effect from 1 January 2021 to: increase the annual management fee from 1.0% to 1.25% of the adjusted closing NAV, excluding cash and cash equivalents, and 0.1% on cash and cash equivalents. The performance fee was also amended and this is detailed below. Management fees accrued in the current year amounted to £740,635 (2019: £708,146) and as at year end a payable of £54,355 was due to the Manager (2019: a receivable of £98,893 was due from the Manager which formed part of other receivables) .

Performance fees

The Manager is also entitled to a performance fee calculated by taking an amount equal to 10% of the amount by which, at the end of any accounting period, the NAV per Ordinary Share exceeds the greater of (i) the Hurdle NAV per Ordinary share; and (ii) the High Watermark, and multiplying such amount by the weighted average number of Ordinary Shares in issue for the relevant performance period. The performance fee is calculated quarterly and is payable upon realisation of individual investments. 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 clawback of the performance fee of £67 (2019: a clawback of £394,920) is accrued in respect of the current year. Performance fees receivable at the year end amount to £67 (2019: a receivable of £394,920).

On 22 March 2021 the Investment Management Agreement with Ravenscroft Specialist Fund Management Limited was amended with effect from 1 January 2021 to: increase the performance fee from 10% to 12.5%. The hurdle rate, which determines whether a performance fee is paid, is increased from 2% to 6% over the Bank of England base rate.

3 MATERIAL AGREEMENTS (continued)

Directors' fees

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

Directors’ fees are subject to annual review by the Remuneration Committee. The total remuneration paid to the Directors for the year ended 31 December 2020 amounted to £110,000 (2019: £95,000). With effect from 1 October 2019 the Chairman is entitled to an annual fee of £40,000, and the remaining Directors are each entitled to an annual fee of £35,000.

4 ADMINISTRATION AND OTHER EXPENSES

	2020 £	2019 £
Administration fees	**108,152**	125,417
Audit fees	**33,400**	30,000
Directors' fees	**110,000**	95,000
Registrar fees	**5,000**	4,990
Legal and professional fees	**23,773**	58,307
Other expenses	**87,659**	90,135
	367,984	403,849

5 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and financial liabilities

31 December 2020	**Financial assets at FVTPL £**	**Financial assets measured at amortised cost £**	**Total £**
Financial assets			
Listed investments	**44,673,453**	**-**	**44,673,453**
Unlisted investments	**29,083,113**	**-**	**29,083,113**
Due from broker	**-**	**13,386**	**13,386**
Other receivables	**-**	**151,318**	**151,318**
Cash and cash equivalents	**-**	**2,017,745**	**2,017,745**
	73,756,566	**2,182,449**	**75,939,015**

31 December 2020	**Financial liabilities measured at amortised cost £**	**Total £**
Financial liabilities		
Borrowings	**-**	**-**
Other payables	**123,103**	**123,103**
	123,103	**123,103**

31 December 2019	Financial assets at FVTPL £	Financial assets measured at amortised cost £	Total £
Financial assets			
Listed investments	39,490,649	-	39,490,649
Unlisted investments	31,097,808	-	31,097,808
Due from broker	-	605,680	605,680
Other receivables	-	536,728	536,728
Cash and cash equivalents	-	6,907,726	6,907,726
	70,588,457	8,050,134	78,638,591

31 December 2019	Financial liabilities measured at amortised cost £	Total £
Financial liabilities		
Borrowings	2,017,410	2,017,410
Other payables	65,125	65,125
	2,082,535	2,082,535

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

5 FINANCIAL ASSETS AND LIABILITIES (continued)

Financial assets at fair value through profit or loss

	2020	2019
	£	£
Designated at fair value through profit or loss at inception		
Listed investments	**44,673,453**	39,490,649
Unlisted investments	**29,083,113**	31,097,808
	73,756,566	70,588,457

	2020	2019
	£	£
Fair value brought forward	**70,588,457**	80,403,053
Purchases at cost	**4,937,788**	10,798,182
Sales	**(3,969,247)**	(17,880,900)
Net gain/(loss) on financial assets at fair value through profit or loss	**2,199,568**	(2,731,878)
Fair value carried forward	**73,756,566**	70,588,457
Represented by:		
Closing book cost	**49,164,228**	48,071,505
Closing revaluation of investments	**24,592,338**	22,516,952
	73,756,566	70,588,457

Details of the Company's investments can be found in the schedule of portfolio movements on page 5.

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.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 31 December 2020:

	Level 1	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Investments at fair value				
Listed securities				
Construction	**13,054,806**	**-**	**-**	**13,054,806**
Financial services	**3,455,676**	**-**	**-**	**3,455,676**
Investment Holding	**-**	**740,000**	**-**	**740,000**
Retail	**23,994,221**	**-**	**-**	**23,994,221**
Utilities	**3,428,750**	**-**	**-**	**3,428,750**
Unlisted securities				
Motor Trade	**-**	**-**	**9,002,500**	**9,002,500**
Media	**-**	**-**	**2,040,000**	**2,040,000**
Waste recycling	**-**	**-**	**11,504,377**	**11,504,377**
Investment Property	**-**	**-**	**3,286,236**	**3,286,236**
Financial Services	**-**	**-**	**3,250,000**	**3,250,000**
	43,933,453	**740,000**	**29,083,113**	**73,756,566**

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
	£	£	£	£
Investments at fair value				
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 property valuations 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 includes debt securities which are carried at redemption values.

The investment in Channel Islands Media Group Limited ("CIMG") is based on an external valuation of TPA Guernsey Limited at the time of its acquisition by CIMG in August 2020 and the agreed valuation of CIMG at that point of acquisition. The Investment Manager considers there are no changes or events subsequent to August 2020 that would imply a change in its fair value from the valuation.

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 value of the investment in Le Platon Home LBG, which is a 7% Secured A Loan Note 2025, is based on its purchase cost. The Investment Manager considers there are no changes or events that would imply a change in its fair value from the valuation.

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	**4,013,646**
Sale proceeds	**(3,405,092)**
Net loss on financial assets at fair value through profit or loss	**(2,623,249)**
Closing balance	**29,083,113**

Transfers between Level 2 and Level 3

There were no transfers from level 2 to level 3 during the year.

6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3

Description	*2020* £	*Valuation technique*	*Unobservable input*
Bailiwick Investment Holdings Limited	49,615	Investment Manager's valuation based on NAV	Administrator's NAV calculation
Channel Islands Media Group Limited	2,040,000	Purchase cost	Purchase agreement
F B Limited (Oatlands)	2,486,621	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	Purchase agreement
MitonOptimal International Limited	3,250,000	Investment Manager's valuation based on repayment of loan notes and expected sale proceeds.	Investment Manager's valuation
The Octane PCC Limited - Octane Cell	9,002,500	Investment Manager's valuation based on EBITDA multiple/ plus property valuation	EBITDA multiple and property valuation
	29,083,113		

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

Significant changes in any of the unobservable inputs could result in significantly lower or higher fair value measurements. The most significant unobservable input is EBITDA multiples. At 31 December 2020, if EBITDA multiples had increased by 1x with all other variables remaining constant, the fair value would increase by approximately £2.6 million (2019: £1.2 million). For a decrease of 1x in EBITDA multiples with all other variables remaining constant, the fair value would decrease by approximately £2.4 million (2019: £1.1 million).

7 OTHER RECEIVABLES AND PREPAYMENTS

	2020	2019
	£	£
Investment income receivable	151,251	42,915
Prepayments	14,566	7,061
Performance fee clawback	67	394,920
Other receivables	-	98,893
	165,884	543,789

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

8 CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank	1,517,745	2,388,340
Certificates of deposit	500,000	4,519,386
	2,017,745	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 & Poor's or A2 by Moody's.

9 BORROWINGS

	2020	2019
	£	£
The Royal Bank of Scotland International Limited		
-Term loan facility	-	2,000,000
-Accrued interest on term loan facility	-	17,410
	-	2,017,410
Bank borrowings payable in less than one year	-	2,017,410
Bank borrowings payable in more than one year	-	-
	-	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

	2020	2019
	£	£
Management fee	**54,355**	-
Administration fee	**28,602**	28,809
Audit fee	**33,400**	30,000
Other payables	**6,746**	6,316
	123,103	65,125

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

11 FINANCIAL RISK MANAGEMENT

The Company'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 Company'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 Company's exposure to these financial risks.

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

11 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

At 31 December 2020, if market prices, property valuations or investment manager valuations had moved by 5% with all other variables remaining constant, the change in net assets attributable to ordinary shareholders along with change in profit or loss for the period would amount to approximately +/- £3.7 million (2019: +/- £3.5 million).

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

	2020	2019
	£	£
Unlisted investments	**29,083,113**	31,097,808
Listed investments	**44,673,453**	39,490,649
	73,756,566	70,588,457

Foreign currency risk

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

Interest rate risk

The Company 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 Company holds cash and cash equivalents and sterling denominated floating rate loans that expose the Company to cash flow interest rate risk.

The Company 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 Company 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 Company's exposure to fixed interest rates, variable interest rates and non interest bearing financial instruments:

31 December 2020	**Fixed interest**	**Variable interest**	**Non interest bearing**	**Total**
Assets	**£**	**£**	**£**	**£**
Investments at fair value	**4,840,000**	**-**	**68,916,566**	**73,756,566**
Due from broker	**-**	**-**	**13,386**	**13,386**
Other receivables	**-**	**-**	**151,318**	**151,318**
Cash and cash equivalents	**-**	**500,000**	**1,517,745**	**2,017,745**
Total assets	**4,840,000**	**500,000**	**70,599,015**	**75,939,015**
Liabilities				
Other payables	**-**	**-**	**123,103**	**123,103**
Total liabilities	**-**	**-**	**123,103**	**123,103**
Total interest sensitivity gap	**4,840,000**	**500,000**	**70,475,912**	**75,815,912**

11 FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

31 December 2019 Assets	Fixed interest £	Variable interest £	Non interest bearing £	Total £
Investments at fair value	4,090,000	-	66,498,457	70,588,457
Due from broker	-	-	605,680	605,680
Other receivables	-	-	536,728	536,728
Cash and cash equivalents	-	4,519,386	2,388,340	6,907,726
Total assets	4,090,000	4,519,386	70,029,205	78,638,591
Liabilities				
Borrowings	-	2,017,410	-	2,017,410
Other payables	-	-	65,125	65,125
Total liabilities	-	2,017,410	65,125	2,082,535
Total interest sensitivity gap	4,090,000	2,501,976	69,964,080	76,556,056

At 31 December 2020, if interest rates had moved by 50 basis points with all other variables remaining constant, the change in net assets attributable to holders of ordinary shares along with change in profit or loss for the period would amount to approximately +/- £7,501 (2019: +/- £12,510), arising substantially from borrowings. In accordance with Company's policy, the Investment Manager monitors Company's interest sensitivity on a quarterly basis and the Board of Directors reviews the analysis during the board meetings.

Credit risk

Credit risk is the risk that an issuer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The investments of the Company 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 Company's cash and cash equivalents is mitigated as all cash is placed with reputable banking institutions with a sound credit rating. RBSI has a Fitch rating of A (2019: A).

The Company’s maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date which amounted to £75,939,015 (2019: £78,638,591).

Liquidity risk

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

11 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

The contractual maturities of the Company's financial liabilities are summarised below.

	Current	Non-current	
	within 1 year	1 to 5 years	later than 5 years
31 December 2020	**£**	**£**	**£**
Other payables	**123,103**	**-**	**-**
	123,103	**-**	**-**
31 December 2019			
Borrowings	2,017,410	-	-
Other payables	65,125	-	-
	2,082,535	-	-

Capital risk management

The Company's objective when managing capital is to safeguard the Company'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 Company.

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

12 SHARE CAPITAL

	31 December 2020
Authorised share capital	**£**
Unlimited ordinary shares of no par value	-

Issued share capital	**Number of shares**	**Share premium**
		£
Shares at 31 December 2020	**57,000,000**	**59,882,718**
Shares at 31 December 2019	57,400,000	60,362,718

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

On 31 January 2020, the company purchased 400,000 of its own ordinary shares at a price of 120 pence per share. The purchased shares were subsequently cancelled.

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

13 DIVIDENDS

	2020	2019
	£	£
Dividend of 2.50p per share paid 12 June 2020	**1,425,000**	-
Dividend of 3.00p per share paid 17 December 2020	**1,710,000**	-
Dividend of 2.50p per share paid 20 June 2019	**-**	1,435,000
Dividend of 3.00p per share paid 17 December 2019	**-**	1,722,000
	3,135,000	3,157,000

14 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of £1.3304 (2019: £1.3339) is calculated based on the net assets attributable to ordinary shareholders of £75,830,478 and on 57,000,000 ordinary shares in issue at 31 December 2020 (2019: net assets of £76,563,117 and 57,400,000 ordinary shares in issue).

15 RELATED PARTY TRANSACTIONS

Sir Geoffrey Rowland had a beneficial interest in 805,000 shares (2019: 705,000) in the Company at the reporting date and held 150,000 (2019: 150,000) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

Susie Farnon had a beneficial interest in 327,118 (2019: 327,118) shares in the Company at the reporting date and held 70,000 (2019: 70,000) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

John Henwood had a beneficial interest in 100,000 shares (2019: 75,000) in the Company at the reporting date.

Jon Ravenscroft, a Director of the Investment Manager, had a beneficial interest in 1,250,000 shares (2019: 1,250,000) in the Company at the reporting date.

Brian O’Mahoney, a Director of the Investment Manager, had a beneficial interest in 161,000 shares (2019: 161,000) in the Company at the reporting date.

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

16 INVESTMENT IN SUBSIDIARIES

	Date of incorporation	Domicile	Ownership
Bailiwick Investment Holdings Limited	Incorporated 13 May 2009	Guernsey	100%
Bailiwick Property Holdings Limited	Wound up 2 January 2020	Guernsey	100%
Column Holdings Limited	Wound up 6 January 2020	Guernsey	100%

Bailiwick Investment Holdings Limited is accounted for as an investment at fair value. Included within the fair value of the investment in Bailiwick Investment Holdings Limited is a loan from Bailiwick Investments Limited to Bailiwick Investment Holdings Limited of £239,828 (2019: £235,047) which is unsecured, interest free and repayable on demand.

17 EARNINGS PER SHARE (BASIC AND DILUTED)

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.

	2020	2019
	£	£
Total profit/(loss) and comprehensive income for the year	2,882,361	(1,122,124)
Weighted average number of shares in issue	57,033,880	57,400,000
Earnings per share – basic and diluted	0.05	(0.02)

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

Supplemental data:

Internal rate of return for the year	**3.91%**	**-1.40%**
Annual average internal rate of return since inception	**7.88%**	**8.14%**

18 ULTIMATE CONTROLLING PARTY

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

19 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

20 EVENTS AFTER THE REPORTING DATE

As detailed in note 3, on 22 March 2021, the Investment Management Agreement with Ravenscroft Specialist Fund Management Limited was amended with effect from 1 January 2021.

In the first quarter of 2021, the Company sold 1,811,915 shares in SigmaRoc PLC for £1,290,603 realising a profit of £542,379.

Mr Kevin Keen was appointed as a Director of the Company with effect from 1 April 2021.

There are no other events to report.