BAILIWICK
INVESTMENTS

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022


relax
LIBERTY WHARF
COSTA
dine
M&S FOODHALL
M&S
FOODHALL
global flavours

BAILIWICK
INVESTMENTS

CONTENTS

BUSINESS AND FINANCIAL HIGHLIGHTS

For the year ended 31 December 2022

Share Price (mid)

1.40p

↓ -2.1%

Profit/Loss

-£0.08m

↓ -£15.8m

Annual Dividend per Share

6.0p

↑ 0.5p

Investments

12*

→ 0

Total Shareholder Return from Inception**

129%

↑ 2.4%

Investment Income

£3.41m

↑ 108%

Investments Value

£83.85m

↓ -2.4%

Net Asset Value per share

149.11p

↓ -4.0%

* Including Bailiwick Investment Holdings Limited.

** Based on cumulative dividends paid by Bailiwick to date and the movement in share price.

DIRECTORY

For the year ended 31 December 2022

DIRECTORS

Sir Geoffrey Rowland *(Chairman)*
Susie Farnon
Kevin Keen

REGISTERED OFFICE AND BUSINESS ADDRESS

(effective 13 February 2023)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey, GY1 2HL

ADMINISTRATOR, REGISTRAR, SECRETARY AND TISE LISTING SPONSOR

Sanne Fund Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey, GY1 2HL

INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
PO Box 222
20 New Street
St Peter Port
Guernsey, GY1 4JG

LEGAL ADVISERS IN GUERNSEY

Collas Crill LLP
Glategny Court
PO Box 140
Glategny Esplanade
St Peter Port
Guernsey, GY1 4EW

INDEPENDENT AUDITOR

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey, GY1 2NZ

CHAIRMAN'S STATEMENT

For the year ended 31 December 2022

Sir Geoffrey Rowland

Chairman

I am pleased to report that, once again, your Company has performed well in 2022. Its portfolio of companies has coped strongly, mindful of another year of challenges and uncertainties facing companies in the Channel Islands and beyond.

After having focussed so heavily on the difficulties posed by the COVID-19 pandemic over the past few years, the war in Ukraine dominated the news in 2022 and into 2023. Businesses across the world have struggled with ongoing supply chain issues, increasing freight and energy costs, constricted labour markets, as well as the wider macro-economic factors of rising inflation and interest rates which have led to ongoing demand for wage increases. It will be imperative that governments in the various jurisdictions in which portfolio companies operate implement policies which do not have a negative impact on business growth.

> It is recognised that diversity is a critical component in the investment strategy of the Company but also in the operations of each of the portfolio companies.

The fact that the majority of the companies in the portfolio are headquartered in the Channel Islands has helped to shield them from the worst of these difficulties but they have been impacted by many of these nonetheless.

Your Board continues to be impressed with, and comforted by, the way in which the management teams of the portfolio companies continue to take action to deal with these pressures, look after their employees and work towards their future goals. We are aware that the owners and managers of our investee companies daily demonstrate competitive drive and undiminished ambition, identifying opportunities to grow and prosper, in order to maximise returns to their shareholders, including the Company. Even during an economic downturn when margins are eroded, there will be opportunities. Our larger portfolio companies in particular have demonstrated in 2022 that they have the ability to effectively manage operations through difficult times and even thrive in them.

It is recognised that diversity is a critical component in the investment strategy of the Company but also in the operations of each of the portfolio companies. Our Investment Manager strives to find sectors in which to invest that are not directly related to existing portfolio companies. Investee companies are also encouraged to seek expansion which will provide a further measure of diversity.

As mentioned in my report last year, the Company hoped to be able to maintain its policy of paying dividends annually and duly did so in 2022, increasing the total dividend paid to shareholders by 9% to 6p (5.5p paid in 2021). The total dividends paid in the year amounted to £3.4m (2021: £3.1m) Your Board remains cognisant of the importance placed by shareholders on the payment of regular dividends and will endeavour to continue this practice where possible.

CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 31 December 2022

> Our larger portfolio companies in particular have demonstrated in 2022 that they have the ability to effectively manage operations through difficult times and even thrive in them.

Our shareholders will be familiar with Environment, Social and Governance ("ESG") and we believe that the composition of our portfolio accords with investor expectations. We value a good governance model, operating alongside strong social policies which benefit Channel Island residents, noting that nearly 400 of our direct/indirect investors (together representing over 83% of the issued share capital) are resident in Guernsey and Jersey. There is also a growing emphasis on wider ESG factors within the investment sphere. The Board is alert to this but also seeks to achieve a balanced investment approach, taking into account the relative size of shareholdings and the wider benefits of investing for the portfolio and shareholders.

I encourage you to read the Investment Manager's Report where you will find a more detailed review of each portfolio company's performance over the year and expectations for the coming year.

I would like to remind our shareholders that they can contact the Board via the Secretary at the Company's registered office. I note that the Company's registered office changed to 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL on 13 February 2023..

Finally, I would like to thank the Company's shareholders for their continued support, as well as my fellow Directors, Susie Farnon and Kevin Keen, and our Investment Manager.

Sir Geoffrey Rowland
Chairman

26 April 2023

PORTFOLIO MOVEMENTS

For the year ended 31 December 2022

	Fair value at 1 January 2022 £	Investment £	Sale proceeds £	Realised and unrealised value movement £	Fair value at 31 December 2022 £
Listed investments – 52.96%					
The International Stock Exchange Group Limited	5,279,505	-	-	(287,973)	**4,991,532**
Jersey Electricity PLC	3,100,000	-	-	(550,000)	**2,550,000**
Polygon Group Limited	740,000	-	(740,000)	-	**-**
SandpiperCI Limited	27,593,354	-	(622,424)	138,455	**27,109,385**
SigmaRoc PLC	14,954,850	-	(253,500)	(4,945,410)	**9,755,940**
Total listed investments	51,667,709	-	(1,615,924)	(5,644,928)	**44,406,857**
Unlisted investments – 47.04%					
Proviz Limited	-	1,999,990	-	(867,235)	**1,132,755**
Bailiwick Investment Holding Limited	50,129	2,305	-	347,636	**400,070**
Channel Islands Media Group Limited	2,298,215	609,594	-	663,107	**3,570,916**
F B Limited - Oatlands Village	1,968,205	754,167	-	(237,412)	**2,484,960**
Guernsey Recycling (1996) Limited	14,669,846	-	-	789,350	**15,459,196**
Le Platon Home LBG	750,000	-	-	-	**750,000**
MitonOptimal International Limited	3,250,000	-	(1,500,000)	76,192	**1,826,192**
The Octane PCC Limited - Jacksons Group Ltd	11,227,369	-	-	2,588,766	**13,816,135**
Total unlisted investments	34,213,764	3,366,056	(1,500,000)	3,360,404	**39,440,224**
Totals	**85,881,473**	**3,366,056**	**(3,115,924)**	**(2,284,524)**	**83,847,081**

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2022

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 2022. The Manager is pleased to report that the portfolio has performed well, with the unlisted investments in particular showing real resilience in the face of high inflation, rising interest rates and increasing energy prices resulting from the war in Ukraine, as well as ongoing supply chain issues. The purpose of this report is to update shareholders on the performance and activities of the Company and its investee businesses during the financial year.

In the year, the Company made a new investment into Proviz Limited, a retailer of high visibility clothing which is seeking to disrupt a market which is traditionally limited to unglamorous hi-vis jackets. The Company participated in a £5m fundraise, investing £2m. Further detail on Proviz is set out later in this report.

Although the principal objective of the Company is to attain long term capital growth, both the Board and the Manager remain acutely aware of the importance placed by Bailiwick's shareholders on dividends. On 9 December 2022, the Board declared a final dividend of 3.0p per share (2021: 3.0p), which was paid on 23 December 2022. The Company paid total dividends of £3.4m (6.0p per share) during the year (2021: £3.1m amounting to 5.5p per share).

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 2022 is 129% (2021: 126%) based on the cumulative dividends paid by the Company to date and the increase in share price.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

FINANCIAL HIGHLIGHTS

The NAV per share decreased from 155.24p at the end of 2021 to 149.11p as at 31 December 2022, having paid total dividends of 6.0p in the year (2021: 5.5p). This reduction was largely caused by a significant drop in the share price of the Company's listed investments as follows:

(i) SigmaRoc's share price fell from 84p to 55p over the year, and is pleasingly showing signs of rebounding from its low of 38p as at 30 September 2022;
(ii) Jersey Electricity has reduced from £6.20 to £5.10;
(iii) The International Stock Exchange Group has decreased from £13.75 to £13.00 over the year, having reached a high of £15.00 per share in March 2022.

Sandpiper remained steady at around 92p per share throughout the year, increasing to 92.5p (mid) at the year end.

The Manager is pleased to note that there has been a 5.95p increase from the NAV per share reported in September 2022 (143.16p) to the end of the year. This has largely been driven by a number of uplifts in the year end valuations, particularly in the unlisted investments, reflecting the improved financial performance of the companies.

The key share price gains from the Company's investments during 2022 include:

(i) Jacksons - £1.05 to £1.29 per share;
(ii) Guernsey Recycling Group - £40.81 to £42.00 per share; and
(iii) Channel Islands Media Group ("CIMG") - £0.94 to £1.10 per share.

These valuation gains equate to a total net gain for the Company of £4.04m in the year.

The Company concluded the year with £1.14m of cash and cash equivalents (2021: £4.2m). It received £3.4m of dividends and interest from investee companies within the portfolio during the year, including £1m from Jacksons and £1.08m from TISE paid in June 2022 (comprising ordinary dividends totalling 82p per share, plus a special dividend of £2 per share) (2021: £307k). Key cash outflows in the period included a £1.99m new investment in Proviz Limited, a further £754k investment in Oatlands, a £610k participation in a capital restructure of CIMG and payment of dividends totalling £3.4m.

OUTLOOK FOR 2023

Trading conditions at the start of the year have been difficult: central banks are under pressure to further increase interest rates in an effort to slow and reduce inflation, which is in turn impacting consumer spending and confidence; the recent collapse of Silicon Valley Bank and bail out of Credit Suisse is causing alarm across the financial sector; and Russia shows no sign of letting up on its war on Ukraine which is expected to further compound supply chain issues.

However, whilst these factors will undoubtedly impact the portfolio companies in a number of ways, we are hopeful that the fact many of them are based in the Channel Islands will provide some limited protection against these challenges. The management teams keep abreast of national and global issues and continue to proactively implement strategies to try to alleviate these pressures. The Board and the Manager continue to be mindful that there is a fine line for the management teams between delivering a return to shareholders and sustaining portfolio businesses.

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 actively engage with the management of each of the companies in the portfolio, as appropriate for the nature of the business and size of the investment, with a view to ensuring that they realise their full potential. The Manager continues to seek and review potential investment opportunities for the Company and regularly reports to and advises the Board on the same.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW

SANDPIPERCI GROUP LIMITED ("Sandpiper")		TISE Listed:	**SANDPI**
Investment:	**Ordinary Shares**	% of Bailiwick's net assets:	**31.90%**
		% of voting rights held:	**29.31%**

Business Summary: Jersey-headquartered, international retail and food service operator with over 80 stores across five territories: Jersey, Guernsey, Alderney, Isle of Man and Gibraltar. Sandpiper works in partnership with blue chip brands including Morrisons, M&S, iQ (Apple authorised premium reseller), Hotel Chocolat and Iceland, as well as managing five locally grown brands.

Sandpiper's food retail business continued its robust performance from 2021 into 2022 and the group's food brands have shown healthy sales growth, despite seeing c.20% lower footfall in the town centre sites when compared to pre-pandemic levels.

Non-food brands have experienced some weakness as a result, with ongoing supply chain issues posing a further challenge. Sandpiper reported gross revenue and trading EBITDA of £105.6m and £5.75m respectively for the first six months to 30 July 2022, a difference of +2.5% and -8.3% respectively compared to the same period last year.

The business is facing supply shortages, increasing energy costs, rising inflation and labour shortages in 2023 but is proactively working to mitigate these issues.

In October 2022, Sandpiper announced that it had agreed with its existing franchise partner, Marks and Spencer Group plc, to open Simply Food stores in Southwest England, expanding its food retail offering in the UK.

The group entered into agreements for the sale of its non-core property assets, Traders House and Cimandis House, for total consideration of £7.01m. The consideration in each case comprises 40% on completion and 60% deferred over a three-year period through an interest bearing loan linked to the Bank of England base rate.

Sandpiper announced a dividend of 1.65p on 23 November 2022, bringing total dividends received during 2022 to 3.3p per share.

Sandpiper's share price remained steady despite a year of volatility in the wider stock markets. It saw a small increase to 92.5p (mid) at the year end (2021: 92p), reflective of its resilient trading performance.

Over the course of the year, the Company sold 685,333 shares in Sandpiper for net proceeds of £622k.

GUERNSEY RECYCLING (1996) LIMITED ("GRG")		Private Company	
Investment:	**B Ordinary Shares**	% of Bailiwick's net assets:	**18.19%**
		% of voting rights held:	**32.04%**

Business Summary: Guernsey-headquartered waste to resource management group operating in the Channel Islands, the UK and Cayman Islands. The GRG companies are active in the transportation, processing and trading of all forms of waste.

GRG delivered another strong financial performance in 2022. Revenue for the year was 8.7% ahead of budget and 18.8% ahead of the previous year. Underlying EBITDA also increased 12% on the prior year's strong performance.

The business has continued to integrate and optimise its recent UK acquisitions, Chloros, Greenway and BKP. Alongside this, GRG has also successfully implemented a number of organic growth initiatives across its divisions, including significant enhancements to the BKP operating site to improve both efficiency and value, the installation of an industry-leading aerosol recycling plant capable of recycling 3 million aerosol cans annually with zero waste outputs, as well as investing in other capital expenditure items like a metal shear, cranes and lorries.

Increasing shipping costs and energy prices have continued to impact financial performance of the business. However, these costs have been offset by continued strong commodity and prices over the course of the year, new offtake disposal outlets and general organic growth in the UK and Cayman businesses.

Early indications in 2023 suggest that the company is trading well, meeting budget expectations. Management anticipates another good year for the business, with new services either starting or expanding, specifically in the UK.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW (continued)

GUERNSEY RECYCLING (1996) LIMITED ("GRG") (continued)

In 2022, the GRG team spent a considerable amount of time and effort on an identified transformational UK based acquisition. This proposed acquisition ultimately failed to complete due to the upheaval in the financial markets, with the increasing cost of capital from rising interest rates and a decline in asset values, prompting a cautionary investor approach at the scheduled time of completion. The Manager was supportive of both the original terms and rationale for the acquisition and the reasons for its ultimate non-completion.

The Manager continues to be impressed by GRG as it improves its existing business and explores further acquisition and organic opportunities, both locally in the Channel Islands and in the UK.

THE OCTANE PCC LIMITED - OCTANE CELL JACKSONS GROUP LIMITED ("Jacksons")	Private Company
Investment: **Ordinary Shares**	% of Bailiwick's net assets: **16.26%**
	% of voting rights held: **39.52%**

Business Summary: Motor dealerships in Jersey, Guernsey, 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 56% of the valuation.

Jacksons delivered another impressive performance in 2022, generating operating profits in excess of its budget for the year, and in line with the prior exceptional year. The Company has received approximately £1m in dividends from Jacksons in the last twelve months.

The business benefitted from continued high demand for cars since the pandemic restrictions eased. For the past couple of years, supply chain issues led to reduced vehicle production and longer delivery times whilst reduced travel during lockdowns meant that consumers had more disposable income available. This demand is now slowing somewhat as the effects of the pandemic abate and consumer confidence reduces in light of the wider macro-economic factors but the business is reporting a good start to 2023.

The European car industry is seeing a decline in demand for electric vehicles due to high prices and increasing electricity costs. However, demand for electric cars in the Islands remains high. The Isle of Man has become a real success for Jacksons – the business has delivered vastly increased revenue and profits as customers move away from travelling to the mainland to buy and service vehicles.

SIGMAROC PLC ("SigmaRoc")	AIM Listed: **SRC**
Investment: **Ordinary Shares**	% of Bailiwick's net assets: **11.49%**
	% of voting rights held: **2.76%**

Business Summary: AIM listed specialist quarried materials group. SigmaRoc invests in high quality quarries that allow it to extract low and high grade materials for use in construction, agriculture, environmental and industrial applications. SigmaRoc was initially founded to purchase Ronez in Guernsey and Jersey which was followed by a number of acquisitions across the UK and Europe.

SigmaRoc continues to develop and convert its pipeline of strategic development projects, including both organic and inorganic initiatives. It completed the purchase of Johnston Quarry Group in the UK, entered into a joint venture with ArcelorMittal and agreed a partnership with Aqualung in 2022. In February 2023, it carried out an equity fundraise of £30m to part fund 10 potential near term strategic acquisition opportunities and 4 organic growth and carbon footprint reduction projects. SigmaRoc acquired Goijens Concrete Group (a leading supplier of ready-mixed concrete and pumping solutions located in the north east of Belgium) and Juuan Dolomiittikalkki (a specialist supplier of high quality dolomitic limestone used in the Agricultural and Environmental sectors based in Finland) in March 2023.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW (continued)

SIGMAROC (continued)

The group enjoyed another strong year of trading, generating revenue of £538m and underlying EBITDA of £101.7m (increases of 98% and 106% respectively on the prior year). This has been achieved through synergies and cost savings across the group and management expects to deliver further value from these into 2023. SigmaRoc's share price fell from 84p at the start of the year to a low of 38p in October 2022. The price rose to 55p at the year end and has remained at this level across the first four months of 2023. However, as evidenced by the group's results for 2022, the fluctuation in the share is not reflective of trading performance.

Rising energy prices and supply chain issues have affected the group but it has been able to take a pro-active position on pricing through inflationary cost increases, as well as identifying further opportunities to improve efficiencies internally.

Trading for the Ronez platform across Jersey and Guernsey has remained strong overall, with residential development still buoyant across both islands. Planning permission has been given for Ronez to start quarrying on Chouet headland in Guernsey and to relocate its RXM production site to the top side of St John's Quarry in Jersey. Despite being a creditor of RG Falla and Camerons following the collapse of those businesses in the last few months, Ronez maintains a strong working capital position.

The business continues to commit to ESG targets and publishes a detailed report on ESG matters in April each year. Copies of SigmaRoc's latest ESG report and Annual Report for 2022 (which contains a brief ESG update) can be found on its website: http://www.sigmaroc.com/.

THE INTERNATIONAL STOCK EXCHANGE GROUP LIMITED ("TISEG")		TISE Listed:	**TISEG**
		% of Bailiwick's net assets:	**5.87%**
Investment:	**Ordinary Shares**	% 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 ("TISE"). Built on a culture of responsiveness and innovation, TISE is a regulated market specialising in listing international bond issues.

TISEG produced turnover of £10m in 2022, equalling its record high in 2021, despite the difficult macro-economic environment. Profit after tax was £4.1m, down 13.2% on the prior year as a result of planned investment to diversify the business.

Wider stock market uncertainty has dampened listing volumes, particularly in products like high yield bonds with the greatest exposure to the broader debt capital markets. It is pleasing to note that the qualifying asset holding companies regime has had no significant impact on Quoted Eurobond Exemption related listings.

The group continues to work to refine TISE's bond listing offering and is seeing a growth in international members. This in turn is facilitating greater diversification of both product type and geographical origin of business. The company is also exploring the opportunity to launch its own offering within the private company markets and has developed a model which will be pilot tested with a potential customer during the course of this year.

TISEG paid a special dividend of £2.00 per share in June 2022, in addition to the ordinary dividends of 45p per share paid in April and 37p per share paid in October 2022. Together, this represents a return of £1.08m to the Company in 2022.

Subsequent to the year end, the Company has sold 83,964 shares in TISEG for net proceeds of £1.26m, reducing its holding to 10.6%. The share price has also returned to £15.50 (mid) at the time of writing this report. TISEG recently announced that a further dividend of 43p per share has been paid to its shareholders on 24 April 2023, totalling £129k for the Company.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW (continued)

CHANNEL ISLANDS MEDIA GROUP LIMITED ("CIMG")		Private Company	
Investment:	**Ordinary Shares**	% of Bailiwick's net assets:	**4.20%**
		% of voting rights held:	**46.64%**

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 full service creative agency that aims to deliver winning communications to help brands and businesses.

Bailiwick invested a further £610k into CIMG and increased its holding to 47%, as part of a capital restructure completed on 1 April 2022. At the same time, certain members of the key management team also invested or increased their investment in the business.

TPA delivered a strong performance in 2022, with a 64% increase in group net profit versus 2021 and a 150% increase in net profit from its Jersey office. Significant improvements in the product and service offering and innovation on all sides of the business has led to better output being produced more efficiently, and the team has grown from 30 to 37. A key focus for the business in 2023 will be on developing a more pro-active approach to identifying and winning new business.

After a challenging couple of years due to Covid, the GP produced a 54% increase in net profit compared to the prior year. Advertising revenues have remained strong and the team is now focussing on delivering a marketing leading digital offering, as well as launching a new La Gazette Officielle product.

JERSEY ELECTRICITY PLC ("JEL")		LSE Listed:	**JEL**
Investment:	**A Ordinary Shares**	% of Bailiwick's net assets:	**3.00%**
		% of voting rights held:	**1.63%**

Business Summary: An LSE listed, vertically integrated power utility dealing in the importation, generation, transmission and distribution of electricity. Its core objective is to provide affordable, secure and sustainable energy. Related businesses 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.

2022 was a challenging year in the energy sector, with the war in Ukraine causing wholesale prices to soar and threatening the security of supply throughout Europe. JEL has shown resilience in the face of these difficult conditions, returning a strong performance and protecting its customers from the huge retail price increases seen elsewhere without government intervention. Group revenue for the year was £117.4m, only 1% lower than the prior year. However, profit before tax for the year was £10.6m (2021: £19.1m). The business has seen reduced demand as a result of consumers working from home less and a mild winter.

JEL has largely managed to shield customers from material price increases through its hedging and risk mitigation policies but it has implemented gradual rises over the course of 2022 and into 2023.

A final dividend of 10.8p has been paid, a 6% rise on the previous year. This brings the total dividends paid to ordinary shareholders to 17.8p per share in 2022 (2021: 16.9p). The company continues to target returns of 6-7% over the long term. It achieved returns of 4.2% in 2022 but 6.2% on a rolling five-year basis.

The share price dropped from a high of £6.27 at the start of the year to £5.10 at the year end. Once again, in our opinion, this is reflective of the turbulent stock market and not the performance of the company.

JEL continues to introduce measures to support the Government of Jersey's ambitions for net-zero carbon emissions by 2050. Details of these initiatives are set out on its website: https://www.jec.co.uk/.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW (continued)

OATLANDS VILLAGE (F B LIMITED) ("Oatlands")		Private Company	
Investment:	**Ordinary Shares**	% of Bailiwick's net assets:	**2.92%**
	Preference Shares 8%	% of voting rights held:	**33.33%**

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.

Oatlands was particularly affected by Covid and lockdown restrictions over the past couple of years. It was therefore pleasing to note that, during 2022, only January trading was affected due to a slight resurgence in cases locally.

The biggest challenges for Oatlands in 2022 were rising costs and, labour shortages. The weather was exceptionally warm throughout most of the summer, reducing the number of visitors to the Playbarn. The management team are keen to develop an opportunity for the Playbarn to expand outside and create an alternative venue for families to enjoy the sun.

Rising inflation is having a significant impact on the company's cost of sales and the shortage of available and affordable accommodation in Guernsey is making it difficult for the company to attract and retain staff. The business continues to manage these issues and is working to find long-term solutions for housing its staff.

Each of the Company, Guy Hands and Chris Coles completed the planned investment of a further £754k in Oatlands in October 2022. The purpose of the additional funding was to enable the company to repay its bank debt, as originally intended when the shareholder base was restructured in 2021. Oatlands can now focus on improving its existing offering and increasing its profitability, whilst also looking at longer term strategies to add further value.

MITONOPTIMAL INTERNATIONAL LIMITED ("Miton")		Private Company	
Investment:	**Ordinary Shares**	% of Bailiwick's net assets:	**2.15%**
	5% Loan Notes	% of voting rights held:	**11.08%**

Business Summary: Formerly independent investment services group delivering focussed investment solutions and support to advisers. Now in orderly wind up, with one remaining office in South Africa.

Miton has been looking to dispose of its various subsidiary businesses, following a decision to wind up the group after the death of its CEO in 2021. The sale of its Guernsey subsidiary to Ravenscroft Holdings Limited, the parent company of the Manager, completed on 1 April 2022. The Wolverhampton business followed in March 2023.

The Company had two tranches of £1.5m each in loan notes. The first was repaid following the sale of the Guernsey business in April 2022 and the remaining tranche was repaid in March 2023 with the proceeds received from the Wolverhampton sale.

Miton is now seeking to sell its remaining business in South Africa and return capital to the equity shareholders, including the Company.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

PORTFOLIO REVIEW (continued)

PROVIZ LIMITED ("Proviz")		Private Company	
Investment:	**Ordinary Shares**	% of Bailiwick's net assets:	**1.33%**
		% of voting rights held:	**19.06%**

Business Summary: A Jersey head-quartered, multi-award winning cycling, running and outdoor sportswear specialist renowned for style, innovation and quality. It offers the largest range of reflective and enhanced visibility clothing and accessories on the markets which are sold globally online and through select retail partners.

A new investment in May 2022, Bailiwick invested £2m in Proviz as part of a £4.5m fundraising round for the business to drive it through its next growth stage. Disappointingly, 2022 has proven to be a challenging year for the business for a number of reasons. Wider external factors have had an adverse effect on consumers' discretionary spending. However, a significant and unexpected disruption arose from the transition to a new website platform after the existing version had reached its 'end of life'. A number of background development issues impacted site speed, affecting both consumer experience and the effectiveness of web searches (search engine optimisation). This resulted in reduced sales in the latter half of the year, the company's peak trading period.

The business has implemented the projects set out in its investment case, including key hires for the roles of CFO and Head of Marketing and E-Commerce, integration of new software to allow for operational efficiencies and a full rebranding project.

The company is moving on from the disappointments of 2022 and is working with a new online marketing agency to increase sales and make inroads into other key identified jurisdictions, such as the US and Germany. Whilst some of the issues encountered with the website transition in 2022 led to weaker sales for the period, these projects were crucial to enable the business to scale up and create future value.

The Board and the Manager concluded that it was prudent to reduce the valuation of Proviz as at 31 December 2022 to reflect the difficulties faced by the business and resulting financial performance in 2022 and whilst awaiting the anticipated profits of the improvements made and business plan for 2023. We remain confident that the business will recover and generate steady and meaningful returns as it starts to realise the benefits from the various projects undertaken in 2022.

LE PLATON RESIDENTIAL HOME ("Le Platon")		Private Company	
Investment:	**7% Loan Notes due 2026**	% of Bailiwick's net assets:	**0.88%**
		% 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 of the new development wing completed in September 2020 and 20 new beds were made available. Phase 2, the final stage of the development, commenced shortly thereafter but has suffered various delays along the way. These works are nearing completion. Le Platon continue to service the loan notes in full and on time.

ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE ("ESG")

The Manager incorporates ESG issues into its investment analysis and seeks appropriate disclosures on ESG issues by the entities into which the Company invests. The Manager is a member of the Ravenscroft Group, which became a signatory to the UN Principles for Responsible Investment on 3 July 2020. The six principles are voluntary and aspirational and offer a menu of possible actions for incorporating ESG matters into investment practice with the aim of contributing to the development of a more sustainable global financial system. Details of Ravenscroft Group's commitment to responsible investing can be found on its website: https://www.ravenscroftgroup.com/.

Ravenscroft Specialist Fund Management Limited

26 April 2023

DIRECTORS' REPORT

For the year ended 31 December 2022

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 2022, 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 2020, 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 40. Following approval by the Directors, on 13 May 2022 the Company declared an interim dividend of 3.00 pence per share which was paid on 17 June 2022. On 9 December 2022 the Company declared a final dividend of 3.00 pence per share which was paid on 23 December 2022 (2021: an interim dividend, declared on 28 May 2021, of 2.50 pence per share which was paid on 18 June 2021 and a final dividend, declared on 9 December 2021, of 3.00 pence per share paid on 23 December 2021).

NET ASSETS

At 31 December 2022, the Company had net assets of £84,992,158 (2021: £88,489,066).

GOING CONCERN

The Directors have assessed the financial position of the Company as at 31 December 2022 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company's portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

Having considered the Company's objectives and available resources along with its projected income and expenditure, the Directors are satisfied that the Company has adequate resources to meet its liabilities as they fall due, for at least a minimum period of 12 months from the anticipated audit report date, and continue in operational existence for the foreseeable future.

The Company is currently in a positive net asset position and holds a variety of quality assets with no leverage. Current assets include cash reserves at 31 March 2023 of £3.3 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 fair value at 31 March 2023 of £43.8 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 Alternative Investment Fund Managers Directive ("AIFMD" or 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.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

CORPORATE GOVERNANCE

A report on the Company's corporate governance is included on pages 23-32.

DIRECTORS

The Directors who served on the Board during the year, together with their beneficial interests at 31 December 2022 and at 31 December 2021, were as follows:

	2022		2021	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	805,000	1.41%	805,000	1.41%
Susie Farnon	327,118	0.57%	327,118	0.57%
Kevin Keen	60,000	0.11%	60,000	0.11%

In addition, the following Directors have beneficial interests at 31 December 2022 and at 31 December 2021 in Ravenscroft Holdings Limited, the ultimate holding company of the Investment Manager, as follows:

	2022		2021	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	185,000	1.25%	176,449	1.19%
Susie Farnon	70,000	0.47%	70,000	0.47%

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. 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.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

DIRECTORS' INFORMATION (continued)

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 of companies that trade in the Channel Islands.

SIGNIFICANT SHAREHOLDINGS

The following shareholdings represent interests of 10 per cent or more of the shares of the Company as at 31 December 2022 and 31 December 2021:

	2022		2021	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited – KGCLT	55,343,252	97.09%	55,323,432	97.06%

Huntress (CI) Nominees Limited – KGCLT is a nominee for clients of Ravenscroft (CI) Limited.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The Board acknowledges that ESG issues are becoming increasingly important among investors and the broader society. The Directors intend to arrange for a carbon offsetting payment to be made in respect of Directors' flights undertaken during the 2022 financial year.

Details regarding the Investment Manager and ESG matters are set out on page 16.

ESG factors are key areas the business considers when assessing new and follow-on investments. The Company's administrator, Sanne Fund Services (Guernsey) Limited, is part of the Apex Group. It has a commitment to people, planet and society and, through different initiatives such as an employee mentoring scheme, an ESG supplier assessment, and a Women's Accelerator Program, which seeks to drive positive change in the financial services industry.

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. Under the Companies (Guernsey) Law, 2008, the Directors have elected to prepare the financial statements in accordance with 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 bases 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.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

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 significant 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 as at 31 December 2022 was Sanne Fund Services (Guernsey) Limited.

INDEPENDENT AUDITOR

The independent Auditor, Grant Thornton Limited ("Grant Thornton" or "GT"), has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the 2023 Annual General Meeting.

WHISTLE BLOWING

The Company has no employees however the key service providers have suitable whistleblowing policies in place.

MODERN SLAVERY

The Board has a zero-tolerance approach to modern slavery and all forms of forced labour, servitude or child labour. The Board is committed to dealing with reputable counterparties which employ appropriate safeguards to mitigate the risk of exposure to modern slavery.

Sir Geoffrey Rowland
Chairman

26 April 2023


KARMA BEAUTY
Karma Beauty
Offering a full range of Beauty Treatments
Facials
Massage
Manicures
Pedicures
Waxing
Eyelash Extensions

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2022

The Directors present their Corporate Governance Report for the year ended 31 December 2022.

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, where applicable to the Company, 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

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 Investment Manager, the Board is committed to the active management of the investment portfolio to ensure the best possible returns for shareholders. The Investment 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.

Whilst not directly applicable to companies domiciled outside of the UK, the intention of the UK Code and the AIC Code is that matters set out in Section 172 of the UK Companies Act 2006 ("Section 172") are reported on by all companies, irrespective of domicile. The following disclosure provides guidance on how the Board has discharged its duties in accordance with Section 172. Section 172 requires that a director of a company must act in a way that he considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to likely long term consequences of any decision undertaken, the interests of any employees, the need to foster the company's business relationships with suppliers, customers and others, the impact of the company's operations on the community and the environment, the desirability of the company maintaining a reputation for high standards of business conduct, and the need to act fairly as between members of the company.

The Board aims to have due regard to the views of the Company's key stakeholders and take these views into consideration as part of its decision-making process. The primary stakeholders are deemed to be its shareholders, suppliers, community and the environment. Shareholder engagement is critical to the continual success of the company's investments and the achievement of our objectives. The Board is committed to regular dialogue with shareholders via the Annual General Meeting or making direct contact with any of the directors by contacting the Secretary as detailed on page 5.

As an investment company, the Company does not have any employees. Key activities are performed via its third-party service providers. Through oversight and control, and engagement with regulated third-party service providers, the Board, together with its key service providers, ensures that high standards of business conduct are maintained, shareholders are treated fairly, and high standards of corporate governance are adhered to.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

BOARD LEADERSHIP AND PURPOSE (continued)

How the principles are addressed (continued)

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 Investment 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 votes exceeding 20% of the total votes cast are against a given 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 16 June 2022 there were no votes against the resolutions proposed at the meeting.

The Company recognises the importance of considering environmental, social and governance factors in its decision-making process and as part of its operations. Further details in this regard can be found on pages 16 and 20.

DIVISIONS OF RESPONSIBILITIES

How the principles are addressed

The AIC Code recommends that the responsibilities of the Chairman, 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 each of 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 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

DIVISIONS OF RESPONSIBILITIES (continued)

How the principles are addressed (continued)

A summary of the Directors' attendance at meetings during 2022 to which they were eligible to attend is provided below.

Board and committee meeting attendance	Formal Board meetings	Audit Committee meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Total number of meetings held	**7**	**4**	**2**	**1**
Sir Geoffrey Rowland	7	4	2	1
Susie Farnon	7	4	2	1
Kevin Keen	7	4	2	1

The Board is composed of three Non-Executive Directors who are independent of the Investment Manager. The Directors' biographies can be found on pages 19 and 20. The Board has carefully considered the Directors' independence including taking into consideration material business relationships and tenure and has determined that all Directors discharge their duties in an independent manner.

Susie Farnon has been a Director of the ultimate parent company of the Investment Manager prior to her appointment and is also a shareholder of the parent company of the Investment Manager; Sir Geoffrey Rowland is also a shareholder of the parent company of the Investment Manager. Tenure and has determined that all Directors discharge their duties in an independent manner.

The AIC Code recommends that the Board should appoint one of the independent Non-Executive Directors as Senior Independent Director. Susie Farnon was appointed as Senior Independent Director on 29 July 2021.

The role of Senior Independent Director serves as an important check and balance in the governance process. The role 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 and secretarial 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 Investment 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 Investment Manager on a number of occasions throughout the financial year and there are regular ad hoc meetings with the Chairman and other members of the Board.

The Company has appointed Sanne Fund Services (Guernsey) Limited (the "Administrator") as Administrator, Company Secretary, Registrar and TISE Listing Sponsor 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, 2020 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

COMPOSITION, SUCCESSION AND EVALUATION

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.

The Board has adopted a formal diversity statement, which confirms that the Board is mindful and supportive of the principle of widening diversity of its composition together with the need for regular refreshment and diversity. The Board is mindful of the importance of basing its appointment and succession plans on merit and objective criteria, and within this context promoting diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths.

It is also committed to appointing the most appropriate available candidate taking into account the skills and attributes of both existing members and potential new recruits and thereby the balance of skills, experience and approach of the Board as a whole, which will lead to optimal Board effectiveness.

The Board considers its composition and diversity as part of its annual board evaluation process.

With one female director on the Board, the Board meets the diversity targets recommended by the Hampton Alexander Review. The Board will seek to maintain at least one female director on the Board and should the size of the Board increase to four directors, the Board would aspire to maintain at least two female directors on the Board. The recommendations of the Parker Review concerning ethnic diversity of UK Boards are acknowledged by the Board and will be taken into consideration as part of its succession planning arrangements.

The Board believes that the Directors provide the appropriate balance of skills, knowledge and diversity necessary to manage the affairs of the Company and to operate effectively as a Board.

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

The AIC Code recommends that the Board has a policy on tenure of the Chairman. The Board considered the Chairman to be independent with valuable experience of Channel Island companies and substantial experience in the affairs of the Company. 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. 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 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

AUDIT, RISK AND INTERNAL CONTROL

How the principles are addressed

Audit and Risk Committee

The Board has established an Audit and Risk 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 and Risk 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 and Risk 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 a quarterly 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 and Risk 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 and Risk Committee. The work of the Audit and Risk Committee is driven primarily by the Company's assessment of its significant 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, or stock market sentiment, 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

Risk management and internal controls (continued)
The Board tracks investment valuation risk throughout the year and receives regular updates from the Investment Manager. Other significant 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 and Risk 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:

- Sanne Fund Services (Guernsey) Limited is responsible for the provision of administration, company secretarial, listing sponsor 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 Investment Manager and the Administrator at each quarterly board meeting. A representative from the Investment 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 Investment Manager and the Administrator, 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.

The Audit and Risk 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 gains additional comfort in internal control processes through the Administrator's ISAE3402 internal control report. 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

Risk management and internal controls (continued)

Principal risks

The principal risks associated with the Company include:

Risk/Description	Control/Mitigation
Strategic risks **Long term strategic risk** The Company is subject to the risk that its long-term strategy and its level of performance fail to meet the expectations of its shareholders. The shares may trade at a discount to Net Asset Value ("NAV") per share and shareholders may be unable to realise their investments through the secondary market at NAV per share. The Board monitors the level of premium or discount of share price to NAV per share.	The Board monitors investment strategy and performance on an on-going basis and regularly reviews the Objective and Investment Policy in light of prevailing investor sentiment to ensure the Company remains attractive to its shareholders. While the Board may seek to mitigate any discount to NAV per share, there can be no guarantee that they will do so, and the Board accepts no responsibility for any failure of any such strategy to affect a reduction in any discount or premium.
Target portfolio returns and dividend The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns. In addition, the pace of investment may be slower than expected. In addition, if repayments are not promptly re-invested this may result in cash drag which may lower portfolio returns. As a result, the level of dividends and other distributions to be paid by the Company may fluctuate and there is no guarantee that any such distributions will be paid.	The Investment Manager regularly provides the Board with reports on pipeline opportunities, which include analysis of the returns available. The Directors also regularly receive information on the performance of the existing loans which includes analysis of the likelihood of any early repayments which may impact returns.
Principal financial/portfolio risk **Valuation** Valuation of the Company's investments are the key value driver for the Fund's NAV and income. Judgements over fair value estimates could significantly affect these key performance indicators.	Valuation of listed investments are valued according to listed prices in the market. The private equity investments are valued using appropriate valuation models, including property valuation and a multiple of earnings. Recent purchases are valued at recent transaction price due to the conclusion that there has not been a change in the valuation. As a result of Covid valuation is more judgmental due to the uncertainty of future cash flows. However, this has reduced during 2022 and markets are less affected by the high volatility caused by the pandemic.
Market Risk Market risk is the risk that the fair value and future cash flows of a financial instrument or investment will fluctuate because of changes in market factors. Market risk includes interest rate risk, liquidity risk and other price risk.	The Company's market risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures detailed in the latest prospectus and summarised in these financial statements. The Investment Manager measures the impact of all market parameters on the future cash flows of the instruments held by the Fund. These include the credit risk, price risk, interest rate risk and liquidity risk.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

Risk management and internal controls (continued)

Principal risks (continued)

Risk/Description	Control/Mitigation
Principal financial/portfolio risk (continued) **Concentration Risk** The risk of the portfolio valuation being concentrated in a small number of assets. The Company Fund maintains a large holding in Sandpiper. This holding represents a large portion of the Company's net assets. The Company's assets are all heavily concentrated in the Channel Islands.	In addition, the exposure limits help to ensure the portfolio remains granular and any limits that are broken will be approved by the board when it is in the funds best interest. The Board acknowledges that exposure to the Channel Islands is what attracts many investors to the Companies.
Geopolitical Risk Geopolitical risks – supply chains - Geopolitical risk has a potential impact on the supply chains on some of the Company's investee companies which may affect their valuation and performance. Geopolitical risks – rapidly rising energy prices. Rapidly rising energy prices pose a risk to the Company's investee companies.	The Company has been closely monitoring this and indeed all other Geopolitical related developments to ensure that any potential impact to the valuation of financial assets at fair value through profit or loss is considered. The Board and Investment manager regularly review the portfolio to ensure that it is diverse that it can withstand macroeconomic shocks and minimise the effect but recognises that some world events can have a detrimental effect on the portfolio. The Board acknowledges the potential affect the Russian invasion of Ukraine may have on SimgaRoc PLC operations in Northern Europe. Rapidly rising energy prices pose a risk to the Company's investee companies and, as such, energy costs will continue to be monitored.
Covid-19 COVID-19 has and continues to impact the wider global market. The immediate impact continued and future uncertainty, and the currently unknown length and depth of the upcoming recession might all potentially impact the value of the underlying investments, their performance, and the stability of the lenders and the wider markets.	Since the onset of this crisis and the resultant market turbulence, the Company moved to take the following measures: - An evaluation of each of its positions in light of the likely long-term impact of the crisis on operating models and valuations and hence recovery prospects for the individual investments. - Engaging positively with its major investee companies to put in place mitigation and de- risking strategies for the long term. - Improve the resilience and flexibility of the Company by careful analysis of its cash balances. - Performed a granular analysis of the future liquidity profile of the Company. A detailed cash flow profile of the high-risk investments was completed, incorporating the probability of likely delays to repayments of principle amounts and dividends (and additional cash needs). The Board now acknowledges that the impact of Covid-19 during 2022 has reduced.

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

Risk management and internal controls (continued)

Principal risks (continued)

Risk/Description	Control/Mitigation
Principal Operational Risk	
Key Person Event If the Key Person leaves or ceases to participate in the Investment Manager's provision of services.	The Investment Manager will inform the Board and, issue a stock exchange announcement to explain the situation. The origination of assets would continue to be provided by the wider team. The procurement of the Company's investments is not specific to any particular portfolio manager at the Investment Manager. It follows a pro-rata allocation policy that would remain in place. The day-to-day operation of the Company would continue to be managed by the wider team.

Review of the Independent Auditor

The Audit and Risk 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 and Risk Committee conducts a continuous review of the relationship between the Company and the external auditor.

During 2019, following a tender process, Grant Thornton Limited continued in their role as auditor to the Company. 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 seven years.

The Audit and Risk 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 and Risk Committee its policies and processes for maintaining independence and monitoring compliance with relevant requirements.

The Audit and Risk Committee, having considered the auditor's performance during their period in office, recommends the re-appointment of Grant Thornton Limited. The audit fees of £41,793 (2021: £36,500) for Grant Thornton Limited were discussed by the Audit and Risk 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 and Risk 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2022

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

Review of the Independent Auditor (continued)
The Audit and Risk Committee met with the auditors twice during the year. Significant issues considered by the Audit and Risk Committee since 1 January 2022 have been the review of the annual report and audited financial statements for the year ended 31 December 2021 and the half yearly report and unaudited condensed financial statements for the period from 1 January 2022 to 30 June 2022.

The Audit and Risk Committee received from Grant Thornton Limited a detailed audit plan, 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 and Risk Committee has considered the significant judgements made in the Annual Report and Financial Statements. The Audit and Risk 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 and Risk 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. The Board regularly meets with the Investment Manager to discuss and review valuations. The Audit and Risk Committee also meet with the Investment Manager after the financial year end and, after the interim period end, to review valuations in detail.

REMUNERATION

How the principles are addressed

The Company has established a Remuneration Committee which comprises of all the 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.


DOOSAN
RONEZ

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2022

TO THE MEMBERS OF BAILIWICK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Bailiwick Investments Limited (the "Company") for the year ended 31 December 2022, which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International 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 2022 and of the Company's loss 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Overview

Grant Thornton

Materiality

Overall materiality was £849,922, which represents 1% of the Company's Net Assets (2021: 1% of the Company's Net Assets, £884,891).

Audit scope

- We conducted our audit of the financial statements based on information provided by the appointed service providers to the Company to whom the directors have delegated the provision of certain functions, including administrators, Sanne Fund Services (Guernsey) Limited and the investment manager, Ravenscroft Specialist Fund Management Limited.
- We tailored the scope of our audit taking into account the types of investments held the Company, the financial reporting processes and relevant internal controls and the industry in which the Company operates.
- We engaged with our own unquoted investment valuation expert to review and challenge the valuations of level 3 investments based on market information, industry knowledge and expertise.
- 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 significant changes to our scoping compared to prior year.

Company is a Guernsey-incorporated company which is listed on The International Stock Exchange.

Key audit matters

- Valuation of Level 3 Financial assets at fair value through profit or loss – this is consistent with the prior year

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2022

Our approach to the audit

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates applied on the valuation of level 3 financial assets at fair value through profit or loss. As in all of our audits, we also addressed the risk of the Directors override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

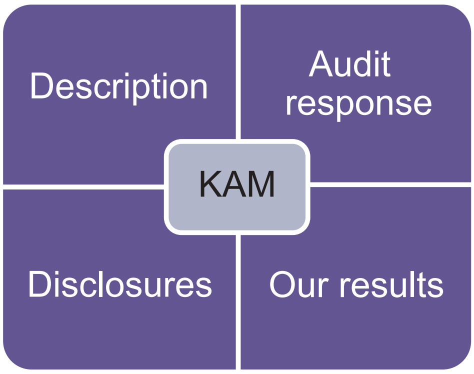
Overall materiality

Overall materiality	£849,922 (2021: £884,891)
How we determined it	1% (2021: 1%) of the Company's Net Assets
Rationale for the materiality benchmark	We have used the Net Asset Value of the Company as at 31 December 2022 as our materiality benchmark as the Company's NAV is published on TISE and investors/potential investors would be sensitive to changes in the NAV per share as a performance indicator. It is also a generally accepted measure used for companies in this industry. We maintained a prudent benchmark of 1% to reflect that the Company is listed on TISE and is in the public interest.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2022

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. 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.

Description of key audit matter	How the matter was addressed in our audit
Valuation of Unquoted 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 Notes 6 and 7 to the financial statements. A material portion of the portfolio is comprised of unquoted investments and are valued using unobservable inputs (defined as 'Level 3' per IFRS 13's fair value hierarchy). Inappropriate valuation methodologies, inputs or assumptions made in determining the fair value of these Level 3 financial assets could have a significant impact on the net asset value of the Company and the return generated for shareholders. The Company's accounting policy and other disclosures on financial assets designated at fair value through profit or loss are included in Notes 2(f), 6 and 7 to the financial statements.	**Audit response** With the assistance of our investment valuation experts, we performed the following procedures for a sample of material unquoted 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; • Tested the validity of underlying financial information used in valuation calculations through obtaining supporting detail from investee companies' management; 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. **Disclosures** Reviewed and confirmed the accuracy and completeness of disclosures made within the Notes to the financial statements with reference to IFRS 13 - fair value measurement and IFRS 7 - Financial Instruments - Disclosures. **Our results** We confirmed that there were no significant matters arising from our audit work on either the valuation of unquoted investments, the techniques or other key valuation inputs used, which would result in a material misstatement.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2022

Other information in the Annual Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements set on pages 1 to 32 and does not include 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, 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.

Responsibilities of those charged with governance for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs as issued by the IASB, 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 the Directors.
- Conclude 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2022

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Carpenter.

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.

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 Company's 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.

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

27 April 2023

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 £	2021 £
INCOME			
Net (losses)/gains on financial assets at fair value through profit or loss	6	(2,284,524)	16,941,294
Investment income	5	3,408,957	1,635,410
Bank interest income		15,252	2,920
		1,139,685	**18,579,624**
EXPENSES			
Performance (fee clawback)/fee	3	(249,533)	1,247,398
Management fee	3	1,052,681	1,080,663
Administration fees	3	126,830	130,562
Audit fees		41,793	36,500
Directors' fees	3	120,000	121,531
Custodian fees		63,143	77,707
Legal and professional fees		8,826	25,477
Other expenses	4	52,853	66,198
		1,216,593	**2,786,036**
TOTAL (LOSS)/PROFIT AND COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(76,908)**	**15,793,588**
Weighted average shares in issue during the year		57,000,000	57,000,000
(Loss)/earnings per ordinary share (basic and diluted)	17	**(£0.001)**	**£0.277**

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

The accompanying notes on pages 44 to 62 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 £	2021 £
ASSETS			
Financial assets at fair value through profit or loss	6, 7	83,847,081	85,881,473
Trade and other receivables	8	89,053	170,371
Cash and cash equivalents	9	1,144,801	4,193,359
Total assets		**85,080,935**	**90,245,203**
LIABILITIES			
Performance fees accrued	3	-	1,247,330
Trade and other payables	10	88,777	508,807
Total liabilities		**88,777**	**1,756,137**
NET ASSETS		**84,992,158**	**88,489,066**
EQUITY			
Share premium	12	59,882,718	59,882,718
Retained earnings		25,109,440	28,606,348
Total equity		**84,992,158**	**88,489,066**
NET ASSET VALUE PER ORDINARY SHARE	14	**1.4911**	**1.5524**

The accompanying notes on pages 44 to 62 form an integral part of these financial statements..

The financial statements on pages 40 to 62 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Sir Geoffrey Rowland
Chairman

26 April 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share Capital £	Share Premium £	Retained Earnings £	Total equity £
At 1 January 2021	**-**	**59,882,718**	**15,947,760**	**75,830,478**
Total comprehensive income:				
Profit for the year	-	-	15,793,588	15,793,588
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**15,793,588**	**15,793,588**
Transactions with Shareholders:				
Dividends declared and paid during the year	-	-	(3,135,000)	(3,135,000)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**-**	**-**	**(3,135,000)**	**(3,135,000)**
At 31 December 2021	**-**	**59,882,718**	**28,606,348**	**88,489,066**

	Share Capital £	Share Premium £	Retained Earnings £	Total equity £
At 1 January 2022	**-**	**59,882,718**	**28,606,348**	**88,489,066**
Total comprehensive loss:				
Loss for the year	-	-	(76,908)	(76,908)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**-**	**-**	**(76,908)**	**(76,908)**
Transactions with Shareholders:				
Dividends declared and paid during the year	-	-	(3,420,000)	(3,420,000)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**-**	**-**	**(3,420,000)**	**(3,420,000)**
At 31 December 2022	**-**	**59,882,718**	**25,109,440**	**84,992,158**

The accompanying notes on pages 44 to 62 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Total (loss)/profit and comprehensive (loss)/income for the year		(76,908)	15,793,588
Adjusted for:			
Net loss/(gain) on financial assets at fair value through profit or loss	6	2,284,524	(16,941,294)
Decrease in amounts due from/to broker[1]		-	13,386
Decrease/(increase) in trade and other receivables		81,318	(4,487)
(Decrease)/increase in other payables		(1,667,360)	1,633,034
		621,574	**494,227**
Purchase of financial assets at fair value through profit or loss	6	(3,366,056)	(307,353)
Proceeds from sale of financial assets at fair value through profit or loss	6	3,115,924	5,123,740
Net cash flows from operating activities		**371,442**	**5,310,614**
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid to shareholders	13	(3,420,000)	(3,135,000)
Net cash flows from financing activities		**(3,420,000)**	**(3,135,000)**
Net (decrease)/increase in cash and cash equivalents		**(3,048,558)**	**2,175,614**
Cash and cash equivalents at start of year		**4,193,359**	**2,017,745**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,144,801**	**4,193,359**

[1]Amounts held within the broker account were reclassified to cash and cash equivalents as at 31 December 2021.

The accompanying notes on pages 44 to 62 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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 2020, 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 investing 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 2022; 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 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.

The financial statements have been prepared on a historical cost basis, except for certain financial statements, which are measured at fair value through profit or loss.

Going concern

The Directors have assessed the financial position of the Company as at 31 December 2022 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company's portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

Having considered the Company's objectives and available resources along with its projected income and expenditure, the Directors are satisfied that the Company has adequate resources to meet its liabilities as they fall due, for at least a minimum period of 12 months from the anticipated audit report date and continue in operational existence for the foreseeable future.

The Company is currently in a positive net asset position and holds a variety of quality assets with no leverage. Current assets include cash reserves at 31 March 2023 of £3.3 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 fair value at 31 March 2023 of £43.8 million, which could be sold in a worst-case scenario. Accordingly, the Directors have determined that it is appropriate to adopt the going concern basis in preparing these Financial Statements.

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 industry standards 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities 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 ended 31 December 2022 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 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.

New Accounting Standards and interpretations applicable to future reporting periods

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), 'Presentation of Financial Statements' (amendments regarding the classification of liabilities, effective for periods commencing on or after 1 January 2023).
- IAS 8 'Accounting Policies, Changes in accounting Estimates and Errors' (amendments regarding the definition of accounting estimates).
- IAS 12 'Income Taxes' (amendments regarding deferred tax on leases and decommissioning obligations).

Accounting Standards and interpretations adopted during the year:

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for periods commencing on or after 1 January 2022) – The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods commencing on or after 1 January 2022). In regard to IFRS 9, the amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Financial Statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and interpretations applicable to future reporting periods (continued)

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. The Directors do not expect these standards to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Functional and presentation currency

The Financial Statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The Directors have considered the primary economic currency of the Company; the currency in which the original finance was raised; the currency in which distributions will be made; and ultimately what currency would be returned to Shareholders if the Company was wound up. The Directors have also considered the currency to which the Company's investments are exposed. On balance, the Directors believe that Sterling best represents the functional currency of the Company during the year. Therefore, the books and records are maintained in Sterling and, for the purpose of the Financial Statements, the results and financial position of the Company are presented in Sterling, which has been selected as the presentation currency of the Company.

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.

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.

(b) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets at fair value through profit or loss are measured initially at fair value, being the transaction price, on the trade date. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities measured at amortised cost (continued)

(c) Subsequent measurement

Subsequent to initial recognition, financial assets and liabilities 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. 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.

(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
- 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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (2021: £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 29 November 2021 and Amended and Restated Investment Management Agreement dated 22 March 2021.

Administration fees

Sanne Fund Services (Guernsey) Limited, as the Administrator, is entitled to receive an annual fee equal to 0.12% of the Net Asset Value ("NAV") of the Company payable quarterly in arrears, excluding disbursements, and is subject to a minimum annual fee of £80,000 while the NAV is below £60 million; a minimum annual fee of £100,000 while the NAV is between £60 million and £70 million; or a minimum fee of £125,000 while the NAV is above £70 million. Administration fees incurred in the current year amounted to £126,830 (2021: £130,562) and as at year end a payable of £31,250 (2021: £32,486) was due to the Administrator.

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly owned subsidiary of Apex Group Limited.

The Administration Agreement can be terminated by either party giving not less than 3 months' written notice.

Management fees

In accordance with the Investment Management Agreement, Ravenscroft Specialist Fund Management Limited (the "Investment Manager"), is entitled to a management fee equal to 1.25% of the adjusted closing NAV, excluding cash and cash equivalents, and 0.1% on cash and cash equivalents. Management fees accrued in the current year amounted to £1,052,681 (2021: £1,080,663) and as at the year end an amount of £27,982 was refundable from the Investment Manager (2021: £387,450 payable to the Investment Manager).

Performance fees

The Investment Manager is also entitled to earn a performance fee. The hurdle rate, which determines whether a performance fee is paid is 6% over the Bank of England base rate. The performance fee is calculated by taking an amount equal to 12.5% 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 6% 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. The purpose of the 20% clawback provision is to protect the Fund from a fall in the NAV during the subsequent 3 year period following a Performance Fee becoming due. If at the end of a subsequent accounting period the Adjusted Closing NAV is lower than the Opening NAV per share or the High Water Mark, then the 20% retained in the clawback account (or a proportion thereof) will become recallable back to the Fund. 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.

The performance fee clawback in the current year amounted to £249,533 (2021: performance fee of £1,247,398). The net amount of £997,864 was settled by the Company on 14 September 2022 and, therefore, no performance fees were receivable or outstanding at the year end (2021: £1,247,330 outstanding).

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 2022 amounted to £120,000 (2021: £121,531). Effective from 1 January 2022, the Chairman is entitled to an annual fee of £45,000, and the remaining Directors are each entitled to an annual fee of £37,500.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

4. OTHER EXPENSES

	2022 £	2021 £
Directors' and officers' insurance fees	9,128	8,500
Operating fees	2,289	2,054
Listing fees	2,539	2,391
Regulatory fees	5,546	5,442
Sponsors fees	7,334	5,583
Printing expenses	3,278	-
Sundry expenses	22,739	42,228
	52,853	**66,198**

5. INVESTMENT INCOME

	2022 £	2021 £
Interest income	205,772	315,430
Dividend income	3,203,185	1,319,980
	3,408,957	**1,635,410**

6. FINANCIAL ASSETS AND LIABILITIES

31 December 2022	Financial assets at FVTPL £	Financial assets measured at amortised cost £	Total £
Financial assets			
Listed investments	44,406,857	-	44,406,857
Unlisted investments	39,440,224	-	39,440,224
Trade and other receivables (excluding prepayments)	-	78,196	78,196
Cash and cash equivalents	-	1,144,801	1,144,801
	83,847,081	**1,222,997**	**85,070,078**

31 December 2022	Financial assets measured at amortised cost £	Total £
Financial liabilities		
Trade and other payables	88,777	88,777
	88,777	**88,777**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

6. FINANCIAL ASSETS AND LIABILITIES (continued)

31 December 2021	Financial assets at FVTPL £	Financial assets measured at amortised cost £	Total £
Financial assets			
Listed investments	51,667,709	-	51,667,709
Unlisted investments	34,213,764	-	34,213,764
Trade and other receivables (excluding prepayments)	-	159,008	159,008
Cash and cash equivalents	-	4,193,359	4,193,359
	85,881,473	**4,352,367**	**90,233,840**

31 December 2021	Financial assets measured at amortised cost £	Total £
Financial liabilities		
Trade and other payables	508,807	508,807
	508,807	**508,807**

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

	2022 £	2021 £
Designated at fair value through profit or loss at inception		
Listed investments	44,406,857	51,667,709
Unlisted investments	39,440,224	34,213,764
	83,847,081	**85,881,473**

	2022 £	2021 £
Fair value brought forward	85,881,473	73,756,566
Purchases at cost	3,366,056	307,353
Sales	(3,115,924)	(5,123,740)
Net (loss)/gain on financial assets at fair value through profit or loss	(2,284,524)	16,941,294
Fair value carried forward	**83,847,081**	**85,881,473**
Closing book cost	46,607,634	45,780,648
Closing revaluation of investments	37,239,447	40,100,825
	83,847,081	**85,881,473**

Details of the Company's investments can be found in the schedule of portfolio movements on page 8.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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.

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

	£
Opening balance	34,213,764
Purchases	3,366,056
Sale proceeds	(1,500,000)
Net gain on financial assets at fair value through profit or loss	3,360,404
Closing balance	**39,440,224**

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Transfers between levels
Transfers between levels during the year are determined and deemed to have occurred at each financial reporting date. There were no transfers between levels during the year.

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 31 December 2022:

		Level 1 £	Level 2 £	Level 3 £	Total £
Listed securities					
SigmaRoc	Construction	9,755,940	-	-	9,755,940
The International Stock Exchange Group Limited	Financial services	4,991,532	-	-	4,991,532
Sandpiper CI Limited	Retail	27,109,385	-	-	27,109,385
Jersey Electricity	Utilities	2,550,000	-	-	2,550,000
Total listed securities		**44,406,857**	**-**	**-**	**44,406,857**
Unlisted securities					
Proviz Limited	Retail	-	-	1,132,755	1,132,755
The Octane PCC Limited – Jackson's Group Ltd	Motor Trade	-	-	13,816,135	13,816,135
Channel Islands Media Group Limited	Media	-	-	3,570,916	3,570,916
Guernsey Recycling (1996) Limited	Waste recycling	-	-	15,459,196	15,459,196
FB Limited – Oatlands Village	Investment Property	-	-	2,484,960	2,484,960
Le Platon Home LBG	Investment Property	-	-	750,000	750,000
Bailiwick Investment Holdings Limited	Investment Property	-	-	400,070	400,070
MiltonOptimal International Limited	Financial Services	-	-	1,826,192	1,826,192
Total unlisted securities		**-**	**-**	**39,440,224**	**39,440,224**
Total securities at fair value		**44,406,857**	**-**	**39,440,224**	**83,847,081**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 31 December 2021:

		Level 1 £	Level 2 £	Level 3 £	Total £
Listed securities					
SigmaRoc	Construction	14,954,850	-	-	14,954,850
The International Stock Exchange Group Limited	Financial services	5,279,505	-	-	5,279,505
Polygon Group Limited	Investment Holding	-	740,000	-	740,000
Sandpiper CI Limited	Retail	27,593,354	-	-	27,593,354
Jersey Electricity	Utilities	3,100,000	-	-	3,100,000
Total listed securities		**50,927,709**	**740,000**	**-**	**51,667,709**
Unlisted securities					
The Octane PCC Limited – Jackson's Group Ltd	Motor Trade	-	-	11,227,369	11,227,369
Channel Islands Media Group Limited	Media	-	-	2,298,215	2,298,215
Guernsey Recycling (1996) Limited	Waste recycling	-	-	14,669,846	14,669,846
FB Limited – Oatlands	Investment Property	-	-	1,968,205	1,968,205
Le Platon Home LBG	Investment Property	-	-	750,000	750,000
Bailiwick Investment Holdings Limited	Investment Property	-	-	50,129	50,129
MiltonOptimal International Limited	Financial Services	-	-	3,250,000	3,250,000
Total unlisted securities		**-**	**-**	**34,213,764**	**34,213,764**
Total securities at fair value		**50,927,709**	**740,000**	**34,213,764**	**85,881,473**

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3

Description	31 December 2022 £	Valuation technique	Unobservable input
Bailiwick Investment Holdings Limited	400,070	Investment Manager's valuation based on offer received	Informal offer to purchase property
Proviz Limited	1,132,755	Investment Manager's valuation based on EBITDA multiple	EBITDA multiple
Channel Islands Media Group Limited	3,570,916	Investment Manager's valuation based on EBITDA multiple	EBITDA multiple
FB Limited (Oatlands Village)	2,484,960	Investment Manager's valuation based on EBITDA multiple, plus property valuation (2021: Recent transaction price*)	EBITDA multiple and property valuation (2021: Recent transaction price*)
Guernsey Recycling (1996) Limited	15,459,196	Investment Manager's valuation based on EBITDA multiple, plus property valuation	EBITDA multiple and property valuation
Le Platon Home LBG	750,000	Investment Manager's valuation based on debt instrument recoverability	Income approach – expected future cash flows
MitonOptimal International Limited	1,826,192	Investment Manager's valuation based on repayment of loan notes and expected sale proceeds.	Income approach – expected future cash flows
The Octane PCC Limited - Octane Cell (Jackson's Group Limited)	13,816,135	Investment Manager's valuation based on EBITDA multiple, plus net assets in use	EBITDA multiple and net assets in use
	39,440,224		

**There were no other changes to level 3 investment valuation techniques or unobservable inputs at 31 December 2022.*

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 2022, if EBITDA multiples had increased by 1x with all other variables remaining constant, the fair value would increase by approximately £3.6 million (2021: £2.8 million). For a decrease of 1x in EBITDA multiples with all other variables remaining constant, the fair value would decrease by approximately £3.6 million (2021: £2.8 million).

8. TRADE AND OTHER RECEIVABLES

	2022 £	2021 £
Investment income receivable	47,507	157,805
Management fee receivable	27,982	-
Prepayments	10,857	11,363
Other receivables	2,707	1,203
	89,053	**170,371**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

9. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash held at financial institutions	**1,144,801**	**4,193,359**

The cash is held at the following financial institutions: The Royal Bank of Scotland International Limited ("RBSI") and Ravenscroft Cash Management Limited.

10. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Management fee	-	387,450
Administration fee	31,250	32,486
Audit fee	31,293	36,500
Custody fee	15,695	16,549
Legal and professional fees	-	7,500
Other payables	10,539	28,322
	88,777	**508,807**

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

Risk management structure

The investment manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Company. The Company has no employees and is reliant on the performance of third-party service providers. Failure by the Investment Manager, Administrator, Depositary, Registrar, or any other third-party service provider to perform in accordance with the terms of its appointment could have a significant detrimental impact on the operation of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

11. FINANCIAL RISK MANAGEMENT (continued)

Risk concentration

Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets.

Concentrations of foreign exchange risk may arise if the Company has significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together. Within the aim of maintaining a diversified investment portfolio, and this mitigation concentration.

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 and property valuations form a significant part of the level 3 investment valuation methodologies. The Investment Manager seeks to moderate this risk through a careful selection of securities and other financial instruments.

At 31 December 2022, 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 +/- £4.2 million (2021: +/- £4.3 million).

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

	2022 £	2021 £
Unlisted investments	44,406,857	51,667,709
Listed investments	39,440,224	34,213,764
	83,847,081	**85,881,473**

Foreign currency risk

There is no direct 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

11. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (continued)

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 2022	Fixed interest £	Variable interest £	Non interest bearing £	Total £
ASSETS				
Investments at fair value	3,102,011	-	80,745,070	83,847,081
Trade and other receivables (excluding prepayments)	-	-	78,196	78,196
Cash and cash equivalents	210,038	934,763	-	1,144,801
Total assets	**3,312,049**	**934,763**	**80,823,266**	**85,070,078**
LIABILITIES				
Trade and other payables	-	-	88,777	88,777
Total liabilities	**-**	**-**	**88,777**	**88,777**
Total interest sensitivity gap	**3,312,049**	**934,763**	**80,734,489**	**84,981,301**

31 December 2021	Fixed interest £	Variable interest £	Non interest bearing £	Total £
ASSETS				
Investments at fair value	4,790,000	-	81,091,473	85,881,473
Trade and other receivables (excluding prepayments)	-	-	159,008	159,008
Cash and cash equivalents	3,000,408	1,192,951	-	4,193,359
Total assets	**7,790,408**	**1,192,951**	**81,250,481**	**90,233,840**
LIABILITIES				
Trade and other payables	-	-	508,807	508,807
Total liabilities	**-**	**-**	**508,807**	**508,807**
Total interest sensitivity gap	**7,790,408**	**1,192,951**	**80,741,674**	**89,725,033**

At 31 December 2022, if interest rates had moved by 300 basis points (2021: 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 +/- £28,043 (2021: +/- £5,965), arising substantially from variable rate bank accounts. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

11. FINANCIAL RISK MANAGEMENT (continued)

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 (2021: A).

The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date which amounted to £85,070,078 (2021: £90,233,840).

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.

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

31 December 2022	Current within 1 year £	Non-current 1 to 5 years £	 later than 5 years £
Trade and other payables	88,777	-	-
	88,777	**-**	**-**
31 December 2021			
Trade and other payables	508,807	-	-
	508,807	**-**	**-**

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

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

The Company may, from time to time, for the purposes of efficient portfolio management, for strategic purposes, enter into contracts for differences, options and other derivative investment products.

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

No issue of ordinary share capital may occur to provide funds for the investment by the Company as and when market conditions are suitable or opportunities for further investments arise.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

12. SHARE CAPITAL

Authorised share capital	31 December 2022 £
Unlimited ordinary shares of no par value	-

Issued share capital	Number of shares	Share premium £
Shares at 31 December 2022	**57,000,000**	**59,882,718**
Shares at 31 December 2021	**57,000,000**	**59,882,718**

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

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

13. DIVIDEND

	2022 £	2021 £
Dividend of 3.00p per share paid 17 June 2022	1,710,000	-
Dividend of 3.00p per share paid 23 December 2022	1,710,000	-
Dividend of 2.50p per share paid 18 June 2021	-	1,425,000
Dividend of 3.00p per share paid 23 December 2021	-	1,710,000
	3,420,000	**3,135,000**

14. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of £1.4911 (2021: £1.5524) is calculated based on the net assets attributable to ordinary shareholders of £84,992,158 and on 57,000,000 ordinary shares in issue at 31 December 2022 (2021: net assets attributable to ordinary shareholders of £88,489,066 and on 57,000,000 ordinary shares in issue).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

15. RELATED PARTY TRANSACTIONS

Sir Geoffrey Rowland had a beneficial interest in 805,000 (2021: 805,000) shares in the Company at the date of this report and held 185,000 (2021: 176,449) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

Susie Farnon had a beneficial interest of 327,118 (2021: 327,118) shares in the Company at the date of this report and held 70,000 (2021: 70,000) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

Kevin Keen had a beneficial interest of 60,000 (2021: 60,000) shares in the Company at the date of this report.

Jon Ravenscroft, Group CEO of the Investment Manager, had a beneficial interest of 1,300,000 shares (2021: 1,300,000) in the Company at the date of this report.

Brian O'Mahoney, a Director of the Investment Manager, had a beneficial interest of 161,000 shares (2021: 161,000) in the Company at the date of this report.

Jim McInnes, Director of the Investment Manager, had a beneficial interest of 15,000 shares (2021: 15,000) in the Company at the date of this report.

In addition to this, other key members of the Investment Manager held 18,130 shares at the date of this report (2021: 18,130).

Details of the Investment Manager's fees and the Directors' fees are disclosed in Note 3.

16. INTEREST IN UNCONSOLIDATED SUBSIDIARY

	Date of incorporation	Domicile	Ownership
Bailiwick Investment Holdings Limited	Incorporated 13 May 2009	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 £246,791 (2021: £244,485) which is unsecured, interest free and repayable on demand. As at 31 December 2022, the fair value of the investment in Bailiwick Investment Holdings Limited was £400,070 (2021: £50,129).

17. (LOSS)/EARNINGS PER SHARE

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

	2022 £	2021 £
Total (loss)/profit for the year	(76,908)	15,793,588
Weighted average number of shares in issue	57,000,000	57,000,000
(Loss)/earnings per share – basic and diluted	(£0.001)	0.277

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

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

On 13 February 2023, the Company changed its registered address from Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR to 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

In March 2023, MitonOptimal repaid the Company's £1.5 million loan notes due 2023, with the Company receiving net proceeds of £1,513,356.

In April 2023, the Company disposed of 83,964 shares in The International Stock Exchange Group Limited for net proceeds of £1,256,926.

There were no other significant events since period end which would require revision of the figures or disclosures in the Financial Statements.


TPA


SL-Class
60 Years of
J1581
Approved