



BAILIWICK
INVESTMENTS

**ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS**

For the year ended 31 December 2023







BAILIWICK INVESTMENTS

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Cover image: Guernsey harbour.



SUMMARY FINANCIAL INFORMATION

For the year ended 31 December 2023

Net Asset Value (“NAV”) per share

146.20p

(31 December 2022: 149.11p)

Share Price (mid-price) - 31 December

£1.40

(31 December 2022: £1.40)

Investment Value

£79.76m

(31 December 2022: £83.85m)

Market Capital

£78.792m

(31 December 2022: £79.800m)

Net gain/(loss) on financial assets at fair value

£0.703m

(31 December 2022: £(2.285m))

Result for the year

£1.560m

(31 December 2022: £(0.077m))

Earnings/(loss) per share

£0.028

(31 December 2022: £(0.001))

Annual dividend per share

£0.060

(31 December 2022: £0.060)

Total shareholder return*

4.29%

(31 December 2022: 2.10%)

**Return through dividends received and share price movement*

FINANCIAL CALENDAR

June 2024 Annual General Meeting (“AGM”)

August 2024 Interim Financial Statements - anticipated publication



DIRECTORY

For the year ended 31 December 2023

DIRECTORS

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

REGISTERED OFFICE AND BUSINESS ADDRESS

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
Gategny Court
PO Box 140
Gategny 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 2023



Sir Geoffrey Rowland

Chairman

Dear Shareholders,

2023 was, on the face of it, a relatively quiet year for the Company with no significant sales or disposals (except for Jacksons) but there has been a lot of activity behind the scenes within the portfolio companies. The Investment Manager's report provides a more detailed update on the underlying portfolio companies' performance and activities over the year and I encourage you to read this.

The global macroeconomic environment has been particularly challenging for the portfolio companies. Inflation exceeded 8% in Guernsey and reached double digits in Jersey last year.

As shareholders are no doubt aware, the Octane Cell ("Octane") successfully completed the sale of the Jacksons operating business to Van Mossel Automotive Group in August 2023. Post-sale, Octane continues to own the sites where the Jacksons showrooms are located and which are leased to Van Mossel, with the exception of the Jersey site which has recently been sold.

The global macroeconomic environment has been particularly challenging for the portfolio companies. Inflation exceeded 8% in Guernsey and reached double digits in Jersey last year. The conflicts in Ukraine and the Middle East have impacted supply chains and increased energy prices. With suppliers raising their prices as a result, the cost pressure on most portfolio companies has been considerable. The management teams across the portfolio have done an admirable job of keeping these rises in check, finding ways to create savings elsewhere and only passing costs on to underlying customers as a last resort. There has naturally been some attrition, with consumers' disposable incomes already being eroded by increasing interest rates and energy costs, but this has

thankfully been lower across the Bailiwicks. Jersey Electricity has been able to protect customers from substantial price rises in the short to medium term through its foresight and hedging policies, although some increases will be inevitable in 2024 despite hedging until 2027.

A number of our portfolio companies have external debt facilities, however, most of these companies have hedged or fixed at least a proportion of their debt to protect against rising interest rates. Recruiting and retaining high calibre staff continues to be a key challenge for our investment companies, particularly in the Channel Islands, in part due to wage inflation but also the lack of available and affordable housing in both Guernsey and Jersey. It is hoped that governments will actively and pragmatically address this issue.

We are entering a period of political uncertainty, particularly in the UK. However, our investment portfolio is diverse, including a number of predominantly local trading companies operating across a variety of sectors. This will be critical in the coming year.

Thanks to the performance of the portfolio companies, the Company was able to once again uphold its practice of paying dividends semi-annually, paying a total dividend of 6p per share (2022: 6p).

I have praised the management teams of our investee companies in previous years for their proactive and hands-on approach to tackling the challenges of the past few years and reiterate this in respect of the last twelve months. They continue to work hard and drive the businesses to grow and prosper year-on-year, producing strong returns for their shareholders. We welcome these returns which are generated both via the trading performance of these companies and in certain cases through exploring



CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 31 December 2023

opportunities to sell assets when such opportunities can be realised to their advantage.

Thanks to the performance of the portfolio companies, the Company was able to once again maintain its practice of paying dividends semi-annually, distributing a total of 6p per share (2022: 6p). The Board aspires to maintain this practice of paying bi-annual dividends in 2024. The Company also took advantage in May 2023 of an opportunity to buy back 720,000 of its own shares at a significant discount to the prevailing NAV. The total returns to shareholders illustrated in the graph on page 9 increased in 2023 and that is cause for satisfaction. Your Board's ambition is to maintain the post-Covid upward trend.

My thanks go to my fellow directors, Susie Farnon and Kevin Keen, our Investment Manager and Company Secretary, and particularly to the Company's shareholders for their continued support.

Sir Geoffrey Rowland
Chairman

26 April 2024



PORTFOLIO MOVEMENTS

For the year ended 31 December 2023

	Fair value at 1 January 2023 £	Investment £	Sale proceeds £	Realised and unrealised value movement £	Fair value at 31 December 2023 £
Listed investments - 54.12%					
The International Stock Exchange Group Limited	4,991,532	-	(1,259,460)	1,667,928	5,400,000
Jersey Electricity PLC	2,550,000	-	-	(450,000)	2,100,000
SandpiperCI Limited	27,109,385	-	-	(879,224)	26,230,161
SigmaRoc PLC	9,755,940	-	-	(316,980)	9,438,960
Total listed investments	44,406,857	-	(1,259,460)	21,724	43,169,121
Unlisted investments - 45.88%					
Proviz Limited	1,132,755	-	-	(472,144)	660,611
Bailiwick Investment Holding Limited	400,070	815	-	(835)	400,050
Channel Islands Media Group Limited	3,570,916	-	-	-	3,570,916
F B Limited - Oatlands Village	2,484,960	-	-	28,602	2,513,562
Guernsey Recycling (1996) Limited	15,459,196	160,218	-	538,833	16,158,247
Le Platon Home LBG	750,000	-	-	-	750,000
MitonOptimal International Limited	1,826,192	-	(1,560,548)	129,368	395,012
The Octane PCC Limited	13,816,135	-	(2,132,034)	456,963	12,141,064
Total unlisted investments	39,440,224	161,033	(3,692,582)	680,787	36,589,462
Totals	83,847,081	161,033	(4,952,042)	702,511	79,758,583



INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2023

Ravenscroft Specialist Fund Management Limited (the "Manager") presents its report on Bailiwick Investments Limited (the "Company" or "Bailiwick") for the year ended 31 December 2023.

2023 was undoubtedly a very challenging year for businesses and consumers alike. High inflation and rapidly rising interest rates combined to produce a widely reported cost of living crisis and significantly dampened both business and consumer confidence. The conflicts in Ukraine and the Middle East also negatively impacted energy prices and supply chains. Faced with these headwinds, portfolio companies focussed extra resources on cost containment and supply chain management and pleasingly, in the main, managed to produce strong financial results for the year. In doing so, they demonstrated the resilience of their business models.

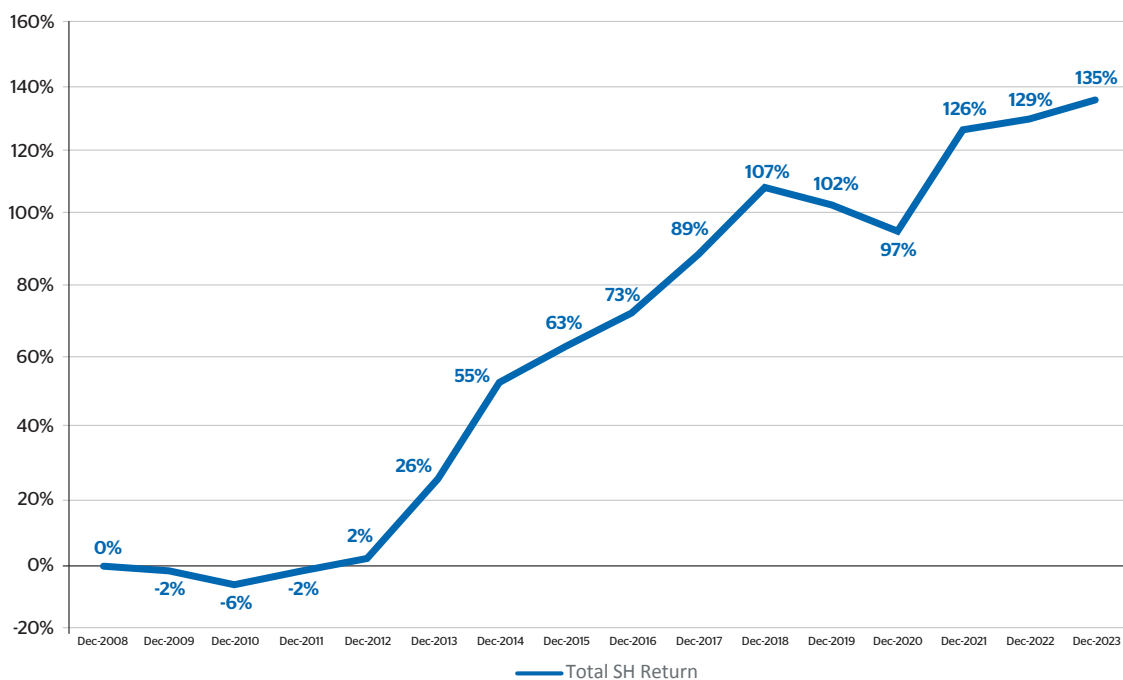
In September 2023, the Jacksons car sales, repairs and financing businesses were sold by the Octane Cell ("Octane") to Van Mossel Automotive Group ("Van Mossel"), the largest automotive company in Benelux. At this time, long-term leases were also entered into with Van Mossel, cementing the company's property values. In early 2024, Octane sold the Jersey based property. The net proceeds after repayment of the bank debt were returned to shareholders with the Company receiving £3.1m. Octane remains invested in the properties from which Jacksons operates in Guernsey, the Isle of Wight and the Isle of Man.

The Company acquired 720,000 of its own shares in May 2023 at a price of £1.245 per share (total cost of £0.90m), taking advantage of an available 16% discount to the Company's prevailing net asset value ("NAV").

The primary objective of the Company remains long term capital growth. However, the Company also operates an appropriate dividend policy and, in line with the prior year, paid total dividends of £3.4m in the year, equating to 6p per share (2022: 6p).

The graph below illustrates shareholder returns, by year, since incorporation. The returns shown are calculated using the share price movement, plus dividends paid to shareholders and incorporates share buy-backs carried out by the Company.

The total shareholder return achieved from inception to 31 December 2023 is 135% (2022: 129%).





INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

The NAV per share reduced from 149.11p at the beginning of the year to 146.20p as at 31 December 2023. The main component of this reduction was the payment of dividends to shareholders of 6p per share, offset by total earnings of c.3p per share.

Negative market sentiment resulted in a combined £1.65m decrease in the Company's aggregate holdings value in SigmaRoc, Jersey Electricity and Sandpiper.

The share price of Octane had increased from £1.29 per share at the beginning of the year to a high of £1.48 per share in June, based on the anticipated sale price of the operating business and the prevailing property valuations. However, this valuation was subsequently reduced at the year end to the equivalent of £1.32 per share on a like-for-like basis, reflecting the challenging conditions in property markets.

The Company's holding value in Proviz Limited ("Proviz") was reduced by £0.47m at the year-end, reflecting its disappointing 2023 financial performance. These reductions have been partially offset by a circa 40% increase in the share price of The International Stock Exchange ("TISE") and a small increase in the carrying value of Guernsey Recycling Group ("GRG").

The Company ended the year with £2.77m of cash and cash equivalents (2022: £1.14m). It received £2.27m of dividends and loan interest from portfolio companies during the year. This included £0.97m from Sandpiper, £0.53m from Octane (excluding the £2.13m capital distribution received from the sale of the operating business), £0.26m from CIMG and £0.27m from TISE. MitonOptimal also repaid the Company's remaining outstanding £1.5m of loan notes in March 2023.

The main cash outflows in the period, outside of operating costs and dividends, were £0.9m used for the Company share buy-back and a temporary loan of £0.2m to GRG, in advance of it undertaking a planned fundraising in 2024.

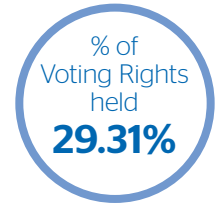


INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

PORTFOLIO REVIEW

SandpiperCI



SandpiperCI Group Limited (“Sandpiper”). 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, amongst others, Morrisons, Iceland, M&S, iQ (Apple authorised premium reseller) and Hotel Chocolat.

Sandpiper delivered a strong performance over the 6 months to 29 July 2023 despite the challenging market conditions.

The business is seeing competitors discounting to mitigate lost market share and staff recruitment remains a big challenge. Food inflation is now easing but there could be further pressure in the medium and long term if Jersey proceeds to align its statutory minimum wage with its living wage. The price of oil has been unpredictable, which has had a significant impact on distribution costs.

It was therefore very encouraging to see that Sandpiper produced trading EBITDA of £5.9m for the first half of its financial year, £0.2m ahead of the same period in the prior year. Despite significant increases across all cost lines, sales grew by 3.2% (4.8% like-for-like). It implemented a cost-saving programme in 2022 to help navigate significant inflationary pressure which has helped to maintain operating margins at 5.4%.

Net debt reduced by £4.3m in the period to £4.7m, largely driven by £6.1m of cash generated from operating activities and the disposal of Sandpiper's controlling share in Big Red Limited. The group has entered into an interest rate swap with HSBC Bank plc to hedge 50% of the floating rate interest cash flows on its term loan at a fixed rate of 4%.

The share price (mid) has fallen by 3p over the course of the year from 92.5p as at 31 December 2022 to 89.5p at 31 December 2023. However, Sandpiper continues to pay regular dividends to its shareholders, distributing £1.6m (1.65p per share) in June and again in December 2023, demonstrating its ability to generate robust revenues and cash. The Company received total dividends of £967k in 2023.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023



Guernsey Recycling (1996) Limited (“GRG”). 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 continues to grow both organically and through acquisitions and delivered another positive set of financial results for 2023. Revenue and underlying EBITDA exceeded budget by 2% and 3% respectively and were 8% and 4% ahead of the prior year.

These results were achieved despite significant softening in commodity prices over the second half of the year. Acquisitions made in the UK hazardous waste sector in recent years have successfully provided protection for the group against such fluctuations through diversification and we have been pleased to note how robust its performance has been.

Channel Islands' revenues were impacted by commodity price drops as noted above along with the overall impact of reduced freight levels onto the islands compared to 2022. A significant new cardboard mill in North Wales is due to come online in 2025 which is expected to help improve the price of fibre commodities in the UK. In Jersey, Abbey Waste has signed a new government recycling contract to June 2026 and has added both St Helier and St Saviour to its list of full kerbside processing customers. In the Cayman Islands, the group's joint venture scrap metal operation continues to trade strongly.

In the UK, many of the group's businesses enjoyed record performances. Greenway more than doubled its 2022 profits following the successful installation of its new aerosol plant and will also benefit from the sale of electricity to the grid once appropriate permissions can be obtained. BKP has made progress with its various planned plant upgrades and expects to have these all online around the time of signing these financial statements. Chloros increased its revenues by 30% year-on-year and benefitted from the new in-house waste brokerage service of Novum which has provided multiple new disposal routes.

Looking ahead, GRG continues to seek to take advantage of and build on its strong pipeline, both organically and through acquisitions. At the time of writing, Bailiwick has agreed to commit a further £5.25m as part of a new, £9.4m equity fundraise. This fundraise is expected to close in early May 2024 and will enable GRG to complete the acquisition of a complementary, asset-backed business as well as to continue various other development and acquisition projects in both the Channel Islands and the UK.

The Company and the Manager remains very supportive of GRG and its management team, and this new investment, once completed, is expected to take Bailiwick's equity interest in GRG to 37.7%.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

Octane Cell



The Octane PCC Limited - Octane Cell. Holding company for the properties used by the Jacksons and Motor Mall dealerships in Guernsey, Jersey, the Isle of Wight and the Isle of Man.

As noted above, the Jacksons operating business was sold to Van Mossel in September 2023, with the Octane Cell continuing to own the various properties used by the dealerships across the Channel Islands, Isle of Wight and the Isle of Man. Each of the properties has the benefit of a 15 year long lease with no breaks with Van Mossel.

In March 2024, the Octane Cell completed the sale of the Jersey property, with the Company receiving £3.1m in net proceeds after repayment of the £14m debt facility.

The Octane Cell is considering its options with regards to the flagship Isle of Man property and also the sites in Guernsey and the Isle of Wight. Purchase offers will be considered at the appropriate level, in the absence of which the Octane Cell is content to hold the properties and receive the rental income.



SigmaRoc PLC ("SigmaRoc"). AIM listed specialist quarried materials group. SigmaRoc invests in high quality quarries that allow it to extract high and low grade materials for use in construction, agriculture, environmental and industrial applications. SigmaRoc was initially founded to purchase Ronez in Guernsey and Jersey which has since been followed by numerous acquisitions in the UK and across Europe.

SigmaRoc released its audited full year results for the year ended 31 December 2023 on 18 March 2024. It reported underlying EBITDA and EPS for 2023 of £116.7m and 8.12p respectively, both ahead of expectation. Revenues were 8% higher year-on-year at £580.3m, with underlying EBITDA up 8% like-for-like. Underlying EPS was 1% ahead of the prior year, despite significant increases in financing costs and absorbing the dilution of the cash raise undertaken in February 2023. Strong cash generation in Q4 2023 meant that FY23 leverage ended up at 1.57x (2022: 1.93x).

The company completed 6 bolt-on acquisitions in the year which contributed to the group's revenue and are performing at or ahead of expectation. These include Goijens Concrete Group, Juuan Dolomiittikalkki (agri-lime supplier), Retaining Holdings, Björka Mineral (limestone and dolomite powder supplier), ST Investicija UAB (gravel and sand quarry operator in Lithuania) and 4 concrete plants on the France/Belgium border.

In November 2023, SigmaRoc announced the conditional acquisition of a significant portfolio of lime and limestone assets from CRH. The first phase (Germany, Czechia and Ireland) completed on 4 January 2024, bringing the group to 1bn tonnes of reserves, over 850 employees and annualised revenues of over €350m. This acquisition is transformational for the company, enabling it to scale up its industrial minerals business and unlock significant financial, operational and strategic benefits. Phase 2 (UK and Poland) is expected to complete later in the year. The company entered into a new €875m syndicated debt facility with Santander and BNP Paribas in connection with this transaction. Once fully drawn, the group's leverage ratio will be in excess of 3x EBITDA.

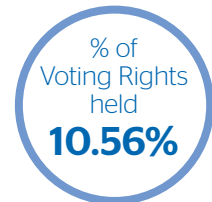
Planning permission was granted in 2022 to move the quarry operated by Ronez in Guernsey at Les Vardes to Chouet. The company has been working hard over the past year to get the new site ready to open in 2024.

SigmaRoc's share price has fluctuated greatly over the course of 2023, reaching a high of 63p on 5 May and a low of 45p following the announcement of the CRH deal, ending the year at 53.4p (2022: 55p). The price has largely remained in the range of 62p to 69p in Q1 2024 and the Company took advantage of the opportunity to sell 7.61m SigmaRoc shares for gross proceeds of £4.95m at an average price of 65p, reducing its holding from 17,610,000 shares to 10,000,000.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023



The International Stock Exchange Group Limited (“TISEG”). 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.

TISE experienced subdued listing volumes in 2023 due to challenging macro-economic conditions. However, activity on the Qualified Investor Bond Market (“QIBM”) remained robust, seeing listings of entirely new security classes, as well as further issues to existing listings. TISE launched a private markets offering, TISE Private Markets, and also made a breakthrough into the market for listing collateralised loan obligations in its efforts to create greater diversification through its product offering and geography.

The business generated turnover of £10.8m (2022: £10m) and profit after tax of £4.9m (2022: £4.1m).

TISE continues to be highly cash generative and paid out £2.6m to shareholders in the year. Ordinary dividends of 43p and 47p per share were paid in April and October 2023 respectively.

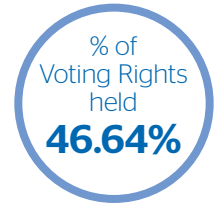
The TISE share price increased to £15.50 (mid) in August 2023 following the acquisition of 425,000 shares by MIH East Holdings Limited (“MIH”). MIH is a wholly owned subsidiary of Miami International Holdings, an acquisitive company that operates global financial exchanges and execution services, including the MIAX Exchange Group, Minneapolis Grain Exchange, LLC, The Bermuda Stock Exchange and Dorman Trading LLC. The Company sold 83,964 shares to MIH for £1.26m (£15 per share). The share price subsequently increased to £18.00 (mid) after MIH purchased a further 335,400 shares in October 2023, bringing its total holding in TISE to 26.77%.

Following the release of its audited 2023 results on 19 March 2024, TISE announced that it had declared an ordinary dividend of 45p per share and a special dividend of £2 per share which will be paid to shareholders in late April 2024. The Company is due to receive £735k.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

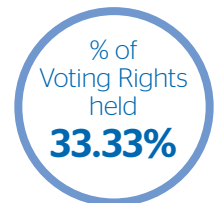
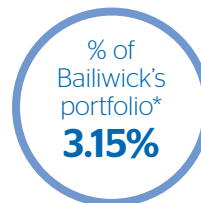


Channel Islands Media Group Limited (“CIMG”). CIMG comprises two wholly owned subsidiaries: The Guernsey Press Limited (the “GP”) and TPA Guernsey Limited (“TPA”). The GP is a key source of news and information across the Bailiwick of Guernsey both via a print newspaper and online. TPA is a full service creative agency that aims to deliver winning communications to help brands and businesses.

TPA has delivered another robust performance in 2023, notwithstanding a noticeable reduction in opportunities to pitch for new contracts as potential customers have tightened up marketing spend due to wider economic pressures caused by high levels of inflation in the economy. A key focus for the business in 2024 is to proactively look for sources of new business, including outside of the Channel Islands to stimulate further growth.

The GP's financial performance remains consistent despite an ongoing decline in circulation numbers of the newspaper with this decrease being largely offset by an increase in the cover price. The team continues to focus on developing and delivering on its digital strategy which should boost revenues.

In 2023, CIMG paid dividends of £550k to shareholders in two instalments, from which the Company received a total of £257k. CIMG continues to generate a healthy profit and through its dividend payouts delivers a yield of c.10% on cost to the Company. Additionally, CIMG repaid £480k of its external debt in 2023, reducing the total outstanding balance to £798k.



F B Limited - Oatlands Village (“Oatlands”). 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 has experienced significant cost increases in 2023, particularly in relation to its food and beverage offerings. However, it has been able to pass these costs on to customers through price increases, mirroring what is happening across the leisure sector. Staffing continues to be a key issue for the business, with the lack of affordable accommodation on the Island making it difficult to attract and retain staff.

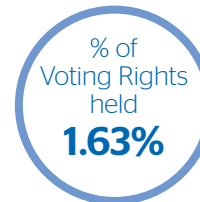
Property asset management has been a key focus for management over the past few years. In 2023, new leases were agreed with on two units which had become vacant.

Management’s focus for 2024 is to improve its current offering to provide greater profitability in the short term whilst creating additional long-term value through the development of currently unused land. Oatlands generates positive cashflow through both its leisure business and property portfolio, which enables it to consistently pay its preference share dividend semi-annually.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023



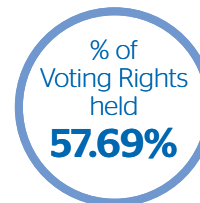
Jersey Electricity PLC ("JEL"). An LSE listed, vertically integrated power utility dealing in the importation, generation, transmission and distribution of electricity. Its core objective is to provide affordable, secure and sustainable energy. Related businesses include commercial and domestic building services, energy solutions, environmental engineering, retail, IT and property. The States of Jersey owns 62% of the ordinary share capital, which is unlisted.

JEL enjoyed another solid year of trading, generating £1251m of revenue, a 6.5% increase on the previous year, and net profit of £11.4m despite a very challenging economic environment.

A 5% tariff increase was implemented in January 2023 to keep pace with wholesale prices which remain high in relative terms. The company has a strong hedged position against increases in wholesale prices which has enabled it to shelter customers from the significant price hikes seen across the wider energy market. Whilst wholesale rates have reduced somewhat, they still remain significantly above JEL's long term hedged position to 2027, which will inevitably lead to further increases in retail prices over the coming years if they do not reduce in the meantime.

The company declared an interim dividend of 8p per share which was paid in June. A final dividend of 11.4p per share has since been declared, a 6% rise on the previous year, which was paid in March 2024.

JEL's share price has been relatively subdued over the course of 2023, decreasing from a high of £5.35 at the start of February to £4.20 at the year end (2022: £5.10). We do not consider the share price to be reflective of the performance and financial position of the company.



Le Platon Residential Home ("Le Platon"). 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.

The last phase of development has been completed, despite delays due to the collapse of R G Falla. The new wing has been well received and occupancy levels are high. Le Platon continues to service the loan notes in full and on time.



INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023



Proviz Limited ("Proviz"). A Jersey headquartered, 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.

The performance of Proviz over the last couple of years has been significantly below expectations. Sales have remained static whilst the cost base has increased disproportionately in anticipation of growth, particularly in relation to fulfilment costs, resulting in the Company suffering substantial financial losses. This has been further compounded by a build up of aged inventory which has had to be sold at substantially discounted values, resulting in an adverse impact on gross margins.

However, despite the above, the Manager believes that the underlying product offering continues to have potential and the business retains a well-established, loyal customer base. With rigorous challenge, input and support, the Manager believes that Proviz can return to a growth trajectory and a profitable position.

To help achieve this, the Manager has worked closely with the management team at Proviz to prepare a detailed budget for the upcoming year, which provides a path to profitable performance. This will be delivered through a combination of improved cost management and a bolstering of the capability within the Proviz management team. The Manager is fully committed to working with the business to implement these turnaround plans to deliver on the 2024 budget.



MitonOptimal International Limited ("Miton"). Formerly independent investment services group delivering focused investment solutions and support to advisers. Now in orderly wind up, with one remaining office in South Africa.

Miton continues to dispose of its various subsidiary businesses as part of a solvent winding up plan.

The Wolverhampton business was successfully sold in March 2023, following which Miton repaid the Company's remaining £1.5m of loan notes. On 7 September 2023, Apex Group announced that it had agreed to acquire IP Fund Managers Guernsey Limited, a collaborative investment management company between Miton and a number of other fund managers. The South African business is the only remaining subsidiary yet to be sold.

Miton purchased 6,060 shares from the Company in February 2023 for total consideration of £60.5k, taking the Company's shareholding to 47,880 shares with a value of £395k. Miton also bought back a further 9,536 shares in January 2024 for £78,669.

Ravenscroft Specialist Fund Management Limited

26 April 2024

**Percentage of Bailiwick's portfolio including Bailiwick Investment Holdings Limited.*





DIRECTORS' REPORT

For the year ended 31 December 2023

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 2023, prepared in accordance with International Financial Reporting Standards ("IFRS") as 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, as amended (the "Companies Law") 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 Channel Islands interest.

RESULTS AND DIVIDENDS

The results for the year are set out in the Statement of Comprehensive Income on page 37. Following approval by the Directors, on 25 May 2023 the Company declared an interim dividend of 3.00 pence per share which was paid on 20 June 2023. On 14 December 2023 the Company declared a final dividend of 3.00 pence per share which was paid on 22 December 2023 (2022: an interim dividend, declared on 13 May 2022, of 3.00 pence per share which was paid on 17 June 2022 and a final dividend, declared on 9 December 2022, of 3.00 pence per share paid on 23 December 2022).

NET ASSETS

At 31 December 2023, the Company had net assets of £82,279,127 (2022: £84,992,158).

GOING CONCERN

The Directors have assessed the financial position of the Company as at 31 December 2023 and the factors that may impact its performance and that of its underlying portfolio (including the potential impact on markets and supply chains of geo-political risks such as the current crises in Ukraine and the Middle East, and continuing macro-economic factors and inflation) in the forthcoming year.

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 2024 of £10.6 million which would be used to fund any liabilities that become due or payable. The Company's liquidity is further supported by a portfolio of listed investments with a fair value at 31 March 2024 of £43.2 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 2023

CORPORATE GOVERNANCE

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

DIRECTORS

The Directors who served on the Board during the year, together with their beneficial interests at 31 December 2023 and at 31 December 2022, were as follows:

	2023		2022	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	820,000	1.46%	805,000	1.41%
Susie Farnon	327,118	0.58%	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 2023 and at 31 December 2022 in Ravenscroft Holdings Limited, the ultimate holding company of the Investment Manager, as follows:

	2023		2022	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Sir Geoffrey Rowland	185,000	1.25%	185,000	1.25%
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").

He served as non-executive director until accepting his first Crown appointment in 1992. He has 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.

He is a non-executive director of two family investment companies, but holds no other directorships.

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 Guernsey Financial Services Commission. Susie is currently a non-executive director of the Association of Investment Companies, the UK Investment Companies' trade body.



DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2023

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 2023 and 31 December 2022:

	2023		2022	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited - KGCLT	54,641,250	97.09%	55,343,252	97.09%

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 note that the airline used for Company business, Blue Islands, automatically offsets carbon emissions for passengers on its flights.

The Investment Manager is part of the Ravenscroft Group which is committed to being a responsible investor by integrating environmental, social and governance (ESG) considerations into its practices, recognising that climate-related risks present significant challenges to society, the global economy and financial markets.

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 Law. Under the Companies Law, 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 basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Law. 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 2023

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 AUDITOR

In accordance with the Companies Law, 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 2023 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 2024 Annual General Meeting.

WHISTLE BLOWING

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

MODERN SLAVERY

The Board conducts the business of the Company ethically and with integrity, and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

Sir Geoffrey Rowland

Chairman

26 April 2024



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2023

The Directors present their Corporate Governance Report for the year ended 31 December 2023.

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 (the "AIC Code") 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 at the address 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 2023

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 and if not then they will vote by proxy.

In accordance with the AIC Code the Board would consult with shareholders where votes exceeding 20% of the total votes cast are against a given resolution and an update would be published within six months and a summary of each qualifying vote would be presented in the annual report. At the Annual General Meeting held on 20 June 2023 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.

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 preparation of 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 2023

DIVISIONS OF RESPONSIBILITIES (continued)

How the principles are addressed (continued)

A summary of the Directors' attendance at meetings during 2023 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	9	5	1	1
Sir Geoffrey Rowland	8	5	1	1
Susie Farnon	9	5	1	1
Kevin Keen	9	5	1	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 20 and 21. 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 is a shareholder and was also a director, prior to her appointment as a Director of the Company, of the ultimate parent company of the Investment Manager. Sir Geoffrey Rowland is also a shareholder of the ultimate parent company of the Investment Manager.

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") in 2021 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 2023

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.

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 a Board and three Directors, 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 have 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 directors all of whom are 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, with succession also discussed regularly at board meetings. 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 in 2021 (the profiles of the Board members can be found on pages 20 to 21).

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 2023

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 2023

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 2023

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
<p>Strategic risks</p> <p>Long term strategic risk</p> <p>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.</p>	<p>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. The Board monitors the level of premium or discount of share price to NAV per share.</p> <p>When liquidity allows, the Board may take the opportunity to buy back the Company's own shares when it is to the advantage of the remaining shareholders. On 2 May 2023, the Company purchased 720,000 of its own shares for £896,400 (124.5p per share). These shares were subsequently cancelled.</p>
<p>Target portfolio returns and dividend</p> <p>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. 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.</p>	<p>The Investment Manager regularly provides the Board with reports on pipeline opportunities, which include analysis of the returns available.</p>
<p>Principal financial/portfolio risk</p> <p>Valuation</p> <p>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.</p>	<p>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 cost due to the conclusion that there has not been a change in the valuation.</p>
<p>Market Risk</p> <p>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.</p>	<p>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.</p>



CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2023

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
<p>Principal financial/portfolio risk (continued)</p> <p>Concentration Risk The risk of the portfolio valuation being concentrated in a small number of assets.</p> <p>The Company maintains a large holding in Sandpiper and GRG. These holdings, as a result of share price increases since floatation, represent a large portion of the Company's net assets. The Company's assets are mainly concentrated in the Channel Islands.</p>	<p>The Board acknowledges that exposure to the Channel Islands is what attracts many investors.</p> <p>The Company holds a diversified portfolio of investments within varying industrial sectors within both Jersey and Guernsey.</p>
<p>Geopolitical Risk 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.</p> <p>Rapidly rising energy prices pose a risk to the Company's investee companies.</p>	<p>The Company has been closely monitoring Geopolitical related developments to ensure that any potential impact to the valuation of financial assets at fair value through profit or loss is considered.</p> <p>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.</p> <p>The Board acknowledges the potential effect the Russian invasion of Ukraine may have on SigmaRoc PLC operations in Northern Europe.</p> <p>Rapidly rising energy prices pose a risk to the Company's investee companies and, as such, the portfolio will continue to be monitored.</p>
<p>Principal Operational Risk</p> <p>Key Person Event If the Key Person leaves or ceases to participate in the Investment Manager's provision of services.</p>	<p>The Investment Manager will inform the Board to explain the situation.</p> <p>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.</p>



CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2023

AUDIT, RISK AND INTERNAL CONTROL (continued)

How the principles are addressed (continued)

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 £52,000 (2022: £41,793) 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.

The Audit and Risk Committee met with the auditors three times during the year. Significant issues considered by the Audit and Risk Committee since 1 January 2023 have been the review of the annual report and audited financial statements for the year ended 31 December 2022 and the half yearly report and unaudited condensed financial statements for the period from 1 January 2023 to 30 June 2023.

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.



CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2023

DIRECTORS' REMUNERATION REPORT

How the principles are addressed

The Company has established a Remuneration Committee which comprises 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.



INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

TO THE MEMBERS OF BAILIWICK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Bailiwick Investments Limited (the "Company") which comprise 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 material accounting policy information. 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 year end and of the Company's profit for the year then ended;
- are in accordance with IFRSs as issued by the International Standards Board (IASB); and
- comply with the Companies (Guernsey) Law, 2008.

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.

The key audit matter	How the matter was addressed in our audit
<p>Valuation of unquoted investments (2023: £36.59m, and 2022: £39.44m) 45.88% (2022: 47.04%) of the carrying value of the Company's investments, consist of unquoted investments which are valued using different valuation techniques, as described in Note 7 to the financial statements.</p> <p>We identified the valuation of unquoted investments as one of the most significant assessed risks of material misstatement due to these being measured using inputs that are not based on observable market data (using models incorporating multiples of earnings or similar techniques) which are subject to subjectivity, estimation uncertainty and the possibility of management override of controls.</p> <p>The fair value of unquoted investments might be misstated due to application of inappropriate methodologies or inputs to the valuations and/or inappropriate judgemental factors.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2023

Our approach to the audit (continued)

The key audit matter	How the matter was addressed in our audit
<p>The valuation of the Company's unlisted investments involves the use of significant estimates and judgements giving rise to a higher risk of misstatement requiring significant audit attention.</p> <p><i>Refer to the Investment Manager's Report on pages 9 to 17, Corporate Governance Report on pages 23 to 32, Accounting policies on pages 43 to 46 and Note 7 Fair value of financial instruments, to the Financial Statements.</i></p>	<p>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.</p> <p>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.</p> <p>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.</p>

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 but 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 the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, 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 International Standards Board (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 consolidated 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2023

- 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.

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

26 April 2024

Governance





STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 £	2022 £
INCOME			
Net gains/(losses) on financial assets at fair value through profit or loss	6	702,511	(2,284,524)
Investment income	5	2,273,267	3,408,957
Bank interest income		67,117	15,252
		3,042,895	1,139,685
EXPENSES			
Performance fee clawback	3	-	(249,533)
Management fee	3	1,002,829	1,052,681
Administration fees	3	127,765	126,830
Audit fees		57,707	41,793
Directors' fees	3	120,000	120,000
Custodian fees		62,956	63,143
Legal and professional fees		10,066	8,826
Other expenses	4	101,403	52,853
		1,482,726	1,216,593
TOTAL PROFIT/(LOSS) AND COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		1,560,169	(76,908)
Weighted average shares in issue during the year		56,520,658	57,000,000
Earnings/(loss) per ordinary share (basic and diluted)		£0.028	(£0.001)

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

The accompanying notes on pages 42 to 61 form an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 £	2022 £
ASSETS			
Financial assets at fair value through profit or loss	6, 7	79,758,583	83,847,081
Trade and other receivables	8	44,040	89,053
Cash and cash equivalents	9	2,774,089	1,144,801
Total assets		82,576,712	85,080,935
LIABILITIES			
Trade and other payables	10	297,585	88,777
Total liabilities		297,585	88,777
NET ASSETS		82,279,127	84,992,158
EQUITY			
Share premium	12	58,986,319	59,882,718
Retained earnings		23,292,808	25,109,440
Total equity		82,279,127	84,992,158
NET ASSET VALUE PER ORDINARY SHARE	14	1.4620	1.4911

The accompanying notes on pages 42 to 61 form an integral part of these financial statements.

The financial statements on pages 37 to 61 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Sir Geoffrey Rowland
Chairman

26 April 2024



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Share Capital £	Share Premium £	Retained Earnings £	Total equity £
At 1 January 2022		-	59,882,718	28,606,348	88,489,066
<i>Total comprehensive loss:</i>					
Loss for the year		-	-	(76,908)	(76,908)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	(76,908)	(76,908)
<i>Transactions with Shareholders:</i>					
Dividends declared and paid during the year	13	-	-	(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

	Note	Share Capital £	Share Premium £	Retained Earnings £	Total equity £
At 1 January 2023		-	59,882,718	25,109,440	84,992,158
<i>Total comprehensive income:</i>					
Profit for the year		-	-	1,560,169	1,560,169
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	1,560,169	1,560,169
<i>Transactions with Shareholders:</i>					
Share buyback and cancellation	12	-	(896,399)	-	(896,399)
Dividends declared and paid during the year	13	-	-	(3,376,801)	(3,376,801)
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	(896,399)	(3,376,801)	(4,273,200)
At 31 December 2023		-	58,986,319	23,292,808	82,279,127

The accompanying notes on pages 42 to 61 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Total profit/(loss) and comprehensive income/(loss) for the year		1,560,169	(76,908)
<i>Adjusted for:</i>			
Net (gain)/loss on financial assets at fair value through profit or loss	6	(702,511)	2,284,524
Decrease in trade and other receivables		45,013	81,318
Increase/(decrease) in trade and other payables		208,808	(1,667,360)
		1,111,479	621,574
Purchase of financial assets at fair value through profit or loss	6	(161,033)	(3,366,056)
Proceeds from sale of financial assets at fair value through profit or loss	6	4,952,042	3,115,924
Net cash flows from operating activities		5,902,488	371,442
CASH FLOWS USED IN FINANCING ACTIVITIES			
Share buyback and cancellation	12	(896,399)	-
Dividends paid to shareholders	13	(3,376,801)	(3,420,000)
Net cash flows used in financing activities		(4,273,200)	(3,420,000)
Net increase/(decrease) in cash and cash equivalents		1,629,288	(3,048,558)
Cash and cash equivalents at start of year		1,144,801	4,193,359
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,774,089	1,144,801

The accompanying notes on pages 42 to 61 form an integral part of these financial statements.



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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 Channel Islands interest.

2. MATERIAL 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 2023; and comply with the Companies (Guernsey) Law, 2008.

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

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

Going concern

The Directors have assessed the financial position of the Company as at 31 December 2023 and the factors that may impact its performance and that of its underlying portfolio (including the potential impact on markets and supply chains of geo-political risks such as the current crises in Ukraine and the Middle East, and continuing macro-economic factors and inflation) in the forthcoming year.

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 2024 of £10.6 million which would be used to fund any liabilities that become due or payable. The Company's liquidity is further supported by a portfolio of listed investments with a fair value at 31 March 2024 of £43.2 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES

(continued)

Significant accounting estimates and judgements (continued)

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Fair value measurement

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include using valuation models based on a multiple of earnings, percentage of funds under management, multiple of gross margin, and also on freehold property valuations and recent purchase prices. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2023 is included in Note 7 and Note 11 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.

Accounting Standards and interpretations adopted during the year

The Directors consider that the adoption of these amended standards has had no material impact on the Financial Statements of the Company.

- IAS 1 (amended), 'Disclosure of Accounting Policies' (amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, 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); and

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), "Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants" (amendments regarding the classification of debt with covenants, effective for periods commencing on or after 1 January 2024);
- IAS 7 (amended), "Statement of Cash Flows" (amendments regarding supplier finance arrangements, effective for periods commencing on or after 1 January 2024);
- IFRS 7 (amended), "Financial Instruments: Disclosures" (amendments regarding supplier finance arrangements, effective for periods commencing on or after 1 January 2024);



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES

(continued)

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

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS S2, 'Climate-related Disclosures' (effective for accounting periods commencing on or after 1 January 2024).

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.

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. The Directors believe that Sterling best represents the functional currency of the Company. 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, amounts due from broker, trade and other receivables (excluding prepayments) and trade and other payables.

Financial instruments

(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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

(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.

(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 7.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

(f) Fair value estimation (continued)

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).

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.

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 accrual 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 (2022: £1,200).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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 £127,765 (2022: £126,830) and as at year end a payable of £31,250 (2022: £31,250) was due to the Administrator.

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 £1,002,829 (2022: £1,052,681) and as at the year end an amount of £213,318 was payable to the Investment Manager (2022: £27,982 refundable from the Investment Manager).

Performance fees

The Investment Manager is 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.

No performance fees were incurred during the year and none are outstanding as at 31 December 2023 (31 December 2022: performance fee clawback of £249,533 and Nil 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 2023 amounted to £120,000 (2022: £120,000). Effective from 1 January 2022 and up to the end of the reporting period, the Chairman was entitled to an annual fee of £45,000, and the remaining Directors were each entitled to an annual fee of £37,500. After due consideration, effective 1 January 2024, the fees were increased to £48,500 for the Chairman and £39,500 for the remaining Directors.

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

For the year ended 31 December 2023

4. OTHER EXPENSES

	2023 £	2022 £
Directors' and officers' insurance fees	26,446	9,128
Operating fees	191	2,289
Listing fees	2,833	2,539
Regulatory fees	9,231	5,546
Sponsor's fees	8,975	7,334
Printing expenses	10,022	3,278
Sundry expenses	43,705	22,739
	101,403	52,853

5. INVESTMENT INCOME

	2023 £	2022 £
Interest income	152,116	205,772
Dividend income	2,121,151	3,203,185
	2,273,267	3,408,957

6. FINANCIAL ASSETS AND LIABILITIES

31 December 2023	Financial assets at FVTPL £	Financial assets measured at amortised cost £	Total £
Financial assets			
Listed investments	43,169,121	-	43,169,121
Unlisted investments	36,589,462	-	36,589,462
Trade and other receivables (excluding prepayments)	-	36,429	36,429
Cash and cash equivalents	-	2,774,089	2,774,089
	79,758,583	2,810,518	82,569,101

31 December 2023	Financial liabilities measured at amortised cost £	Total £
Financial liabilities		
Trade and other payables	297,585	297,585
	297,585	297,585



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

6. FINANCIAL ASSETS AND LIABILITIES (continued)

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

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

	2023 £	2022 £
Designated at fair value through profit or loss at inception		
Listed investments	43,169,121	44,406,857
Unlisted investments	36,589,462	39,440,224
	79,758,583	83,847,081
	2023 £	2022 £
Fair value brought forward	83,847,081	85,881,473
Purchases at cost	161,033	3,366,056
Sales	(4,952,042)	(3,115,924)
Net gain/(loss) on financial assets at fair value through profit or loss	702,511	(2,284,524)
Fair value carried forward	79,758,583	83,847,081
Closing book cost	42,890,804	46,607,634
Closing revaluation of investments	36,867,779	37,239,447
	79,758,583	83,847,081

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 2023

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	39,440,224
Purchases	161,033
Sale proceeds	(3,692,582)
Net gain on financial assets at fair value through profit or loss	680,787
Closing balance	36,589,462



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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 (2022: none).

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 31 December 2023:

		Level 1 £	Level 2 £	Level 3 £	Total £
Listed securities					
SigmaRoc PLC	Construction	9,438,960	-	-	9,438,960
The International Stock Exchange Group Limited	Financial services	5,400,000	-	-	5,400,000
Sandpiper CI Limited	Retail	26,230,161	-	-	26,230,161
Jersey Electricity PLC	Utilities	2,100,000	-	-	2,100,000
Total listed securities		43,169,121	-	-	43,169,121
Unlisted securities					
Proviz Limited	Retail	-	-	660,611	660,611
The Octane PCC Limited	Investment Property	-	-	12,141,064	12,141,064
Channel Islands Media Group Limited	Media	-	-	3,570,916	3,570,916
Guernsey Recycling (1996) Limited	Waste recycling	-	-	16,158,247	16,158,247
FB Limited - Oatlands Village	Property and leisure	-	-	2,513,562	2,513,562
Le Platon Home LBG	Healthcare	-	-	750,000	750,000
Bailiwick Investment Holdings Limited	Investment Property	-	-	400,050	400,050
MitonOptimal International Limited	Financial Services	-	-	395,012	395,012
Total unlisted securities		-	-	36,589,462	36,589,462
Total securities at fair value		43,169,121	-	36,589,462	79,758,583



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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 2022:

		Level 1 £	Level 2 £	Level 3 £	Total £
Listed securities					
SigmaRoc PLC	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 PLC	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	Property and leisure	-	-	2,484,960	2,484,960
Le Platon Home LBG	Healthcare	-	-	750,000	750,000
Bailiwick Investment Holdings Limited	Investment Property	-	-	400,070	400,070
MitonOptimal 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 2023

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3

Description	31 December 2023 £	Valuation technique	Unobservable input
Bailiwick Investment Holdings Limited	400,050	Investment Manager's valuation based on offer received	Informal conditional offer to purchase property
Proviz Limited	660,611	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)	2,513,562	Investment Manager's valuation based on EBITDA multiple, plus property valuation	EBITDA multiple and property valuation
Guernsey Recycling (1996) Limited	16,158,247	Investment Manager's valuation based on EBITDA multiple; plus property valuation; plus debt recoverability	EBITDA multiple and property valuation plus expected debt repayment
Le Platon Home LBG	750,000	Investment Manager's valuation based on debt instrument recoverability	Income approach - expected future cash flows
MitonOptimal International Limited	395,012	Investment Manager's valuation based on recent transaction	Recent transaction price
The Octane PCC Limited - Octane Cell (Jackson's Group Limited)	12,141,064	Investment Manager's valuation based on property valuation and offers received	Property valuation and offers received
	36,589,462		

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

For the year ended 31 December 2023

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**Quantitative information of significant unobservable inputs - Level 3** (continued)

Description	31 December 2022 £	Valuation technique	Unobservable input
Bailiwick Investment Holdings Limited	400,070	Investment Manager's valuation based on offer received	Informal conditional 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	EBITDA multiple and property valuation
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		

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 2023, if EBITDA multiples had increased by 1x with all other variables remaining constant, the fair value would increase by approximately £2.2 million (2022: £3.6 million). For a decrease of 1x in EBITDA multiples with all other variables remaining constant, the fair value would decrease by approximately £2.2 million (2022: £3.6 million).

8. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Investment income receivable	35,048	47,507
Management fee receivable	-	27,982
Prepayments	7,611	10,857
Other receivables	1,381	2,707
	44,040	89,053

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

9. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash held at financial institutions	2,774,089	1,144,801

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

	2023 £	2022 £
Management fee	213,318	-
Administration fee	31,250	31,250
Audit fee	27,200	31,293
Custody fee	15,317	15,695
Market maker fee	2,500	-
Other payables	8,000	10,539
	297,585	88,777

The Directors consider that the carrying amount of other payables approximates their 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 managing risks where possible. 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, Depository, 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 2023

11. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (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.

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 2023, 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 million (2022: +/- £4.2 million).

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

	2023	2022
	£	£
Unlisted investments	36,589,462	39,440,224
Listed investments	43,169,121	44,406,857
	79,758,583	83,847,081

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 2023

11. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (continued)

Interest rate 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 2023	Fixed interest £	Variable interest £	Non interest bearing £	Total £
ASSETS				
Investments at fair value	1,762,229	-	77,996,354	79,758,583
Trade and other receivables (excluding prepayments)	-	-	36,429	36,429
Cash and cash equivalents	1,727,985	1,046,104	-	2,774,089
Total assets	3,490,214	1,046,104	78,032,783	82,569,101
LIABILITIES				
Trade and other payables	-	-	297,585	297,585
Total liabilities	-	-	297,585	297,585
Total interest sensitivity gap	3,490,214	1,046,104	77,735,198	82,271,516

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

At 31 December 2023, if interest rates had moved by 175 basis points (2022: 300 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 +/- £18,307 (2022: +/- £28,043), 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 board meetings when material changes are noted.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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+ (2022: A).

The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date which amounted to £82,569,101 (2022: £85,070,078).

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.

	Current within 1 year £	Non-current 1 to 5 years £	Non-current later than 5 years £
31 December 2023			
Trade and other payables	297,585	-	-
	297,585	-	-
31 December 2022			
Trade and other payables	88,777	-	-
	88,777	-	-

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 2023

12. SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital	31 December 2023	
	£	
Unlimited ordinary shares of no par value	-	
	Number of shares	Share premium
		£
Issued share capital		
Shares at 31 December 2023	56,280,000	58,986,319
Shares at 31 December 2022	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.

On 2 May 2023 the Company announced that it purchased 720,000 of its own ordinary shares of no par value at a price of 124.5 pence per share. The purchased shares were subsequently cancelled. The purchase was made pursuant to the authority granted by the Company's shareholders at the annual general meeting held on 16 June 2022. The Board instructed this purchase in order to take advantage of an opportunity to acquire shares at a significant discount to NAV and thus enhance shareholder returns.

13. DIVIDEND

	2023	2022
	£	£
Dividend of 3.00p per share paid 20 June 2023	1,688,400	-
Dividend of 3.00p per share paid 22 December 2023	1,688,401	-
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
	3,376,801	3,420,000

The dividend level has been consistent at 3.00p per share in both 2022 and 2023, however the ordinary shares in issue decreased in May 2023 following the share buyback (see Note 12).

14. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of £1.4620 (2022: £1.4911) is calculated based on the net assets attributable to ordinary shareholders of £82,279,127 and on 56,280,000 ordinary shares in issue at 31 December 2023 (2022: net assets attributable to ordinary shareholders of £84,992,158 and on 57,000,000 ordinary shares in issue).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

15. RELATED PARTY TRANSACTIONS

Sir Geoffrey Rowland had a beneficial interest in 820,000 (2022: 805,000) shares in the Company at the date of this report and held 185,000 (2022: 185,000) shares in Ravenscroft Holdings Limited, the ultimate parent company of the Investment Manager.

Susie Farnon had a beneficial interest of 327,118 (2022: 327,118) shares in the Company at the date of this report and held 70,000 (2022: 70,000) shares in Ravenscroft Holdings Limited, the ultimate parent company of the Investment Manager.

Kevin Keen had a beneficial interest of 60,000 (2022: 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 1,380,000 shares (2022: 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 (2022: 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 (2022: 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 (2022: 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 £247,606 (2022: £246,791) which is unsecured, interest free and repayable on demand. As at 31 December 2023, the fair value of the investment in Bailiwick Investment Holdings Limited was £400,050 (2022: £400,070).

17. EARNINGS/(LOSS) 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.

	2023 £	2022 £
Total profit/(loss) for the year	1,560,169	(76,908)
Weighted average number of shares in issue	56,520,658	57,000,000
Earnings/(loss) per share - basic and diluted	£0.028	(£0.001)



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

18. NAV RECONCILIATION

Adjustments were made to the Company's NAV following the publication to TISE. This following reconciliation shows the adjustments made between the Financial Reporting NAV and the published NAV:

	31 December 2023	
	NAV per share	£
Published per TISE	1.4606	82,201,510
Investment manager fees		982
Investment revaluations		76,635
Financial reporting NAV	1.4620	82,279,127

19. ULTIMATE CONTROLLING PARTY

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

20. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies to report.

21. EVENTS AFTER THE REPORTING DATE

SigmaRoc

In the first quarter of 2024, the Company sold 761m shares at an average price of 65p per share, for gross proceeds of £4.95m.

Octane

In March, the Octane Cell sold its Jersey property, distributing net proceeds of £31m to the Company.

Guernsey Recycling Group

In April 2024, the Company agreed to participate in a £9.4m equity fundraise for Guernsey Recycling Group ("GRG") up to a level of £5.25m. This fundraise is expected to complete in early May 2024, and is principally being undertaken in order to acquire a complementary, asset-backed business as well as to continue various other development and acquisition projects in both the Channel Islands and the UK. If successful, the Company's equity holding in GRG is anticipated to increase to 37.7%.

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

LOVELY LITTLE THINGS

THE ICONS

