



**HALF YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

**BAILIWICK INVESTMENTS LIMITED**  
**HALF YEARLY REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

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<b>Registered Office</b>	P O Pox 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
<b>Directors</b>	Sir Geoffrey Rowland (Chairman) Susie Farnon John Henwood MBE (retired 29 July 2021) Kevin Keen (appointed 1 April 2021)
<b>Investment Manager</b>	Ravenscroft Specialist Fund Management Limited 20 New Street St. Peter Port Guernsey GY1 4JG
<b>Administrator, Registrar and Secretary</b>	Saffery Champness Fund Services Limited P O Box 141 La Tonnelle House Les Banques St. Sampson Guernsey GY1 3HS
<b>TISE Listing Sponsor</b>	Carey Commercial Limited P O Box 285 1st and 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 4LX
<b>Market Maker</b>	Ravenscroft (CI) Limited 20 New Street St. Peter Port Guernsey GY1 4JG
<b>Independent Auditor</b>	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF
<b>Legal advisors</b>	Collas Crill LLP Glategny Court PO Box 140, Glategny Esplanade St. Peter Port Guernsey GY1 4EW
<b>Guernsey Registered Number</b>	49479

**BAILIWICK INVESTMENTS LIMITED**  
**SUMMARY FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

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	<b>6 months to 30 Jun 2021</b>	<b>6 months to 30 Jun 2020</b>	<b>12 months to 31 Dec 2020</b>
<b>Net Asset Value ("NAV")</b>	£1.4758	£1.1885	£1.3304
<b>Share price</b>	£1.30	£1.05	£1.20
<b>Investment income</b>	£0.815m	£0.386m	£1.838m
<b>Net gain/(loss) on financial assets at fair value</b>	£10.287m	(£6.737m)	£2.200m
<b>Result for the period</b>	£9.715m	(£6.914m)	£2.882m
<b>Basic earnings per share</b>	£0.17	(£0.12)	£0.05
<b>Interim/Annual dividend per share</b>	£0.025	£0.025	£0.055

**Financial calendar**

December 2021  
June 2022

Final FY21 dividend paid  
Interim FY22 dividend paid

**BAILIWICK INVESTMENTS LIMITED**
**Portfolio movements for the period ended 30 June 2021**

	Fair value at 1 January 2021 £	Investment £	Sale proceeds £	Realised and unrealised value movement £	Fair value at 30 June 2021 £
<b>Listed investments - 63.20%</b>					
The International Stock Exchange Group Limited	3,455,676	-	-	479,955	3,935,631
Jersey Electricity PLC	3,428,750	-	(276,929)	418,179	3,570,000
Polygon Group Limited	740,000	-	-	-	740,000
SandpiperCI Limited	23,994,221	-	-	2,099,494	26,093,715
SigmaRoc PLC	13,054,806	-	(2,144,493)	6,014,637	16,924,950
<b>Total listed investments</b>	<b>44,673,453</b>	<b>-</b>	<b>(2,421,422)</b>	<b>9,012,265</b>	<b>51,264,296</b>
<b>Unlisted investments - 36.80%</b>					
Bailiwick Investment Holdings Limited	49,615	1,000	-	(1,724)	48,891
Channel Islands Media Group Limited	2,040,000	-	-	-	2,040,000
F B Limited (Oatlands)	2,486,621	-	-	279,525	2,766,146
Guernsey Recycling (1996) Limited	11,504,377	-	-	997,025	12,501,402
Le Platon Home LBG	750,000	-	-	-	750,000
MitonOptimal International Limited	3,250,000	-	-	-	3,250,000
The Octane PCC Limited - Octane Cell (Jacksons)	9,002,500	-	(500,000)	-	8,502,500
<b>Total unlisted investments</b>	<b>29,083,113</b>	<b>1,000</b>	<b>(500,000)</b>	<b>1,274,826</b>	<b>29,858,939</b>
<b>Totals</b>	<b>73,756,566</b>	<b>1,000</b>	<b>(2,921,422)</b>	<b>10,287,091</b>	<b>81,123,235</b>

## Performance Overview

Ravenscroft Specialist Fund Management Limited (the “**Investment Manager**”) presents its report on the Company (also referred to in this report as “**Bailiwick**”) for the period ended 30 June 2021.

Bailiwick’s NAV per share as at 30 June 2021 is £1.4758, an increase of 11% since 31 December 2020 (£1.3304) and representing an all-time high for the Company. This level was achieved after the payment of 2.5p dividend per share that was announced on 28 May 2021 and paid on 18 June 2021.

The Investment Manager is pleased to report on an excellent performance from its portfolio over the first six months of 2021, despite the ongoing challenges posed by COVID-19. This strong return has been underpinned by the uplifts in the Company’s listed stocks and supported by robust performances amongst its unlisted investments, with further details set out below.

The current share price is £1.35 to £1.45.

## Portfolio Review

<b>SANDPIPER CI GROUP LIMITED (“Sandpiper”)</b>  Investment: <b>Ordinary Shares</b>	TISE Listed: <b>SANDPI</b>  % of Bailiwick’s net assets: <b>31.02%</b>  % of voting rights held: <b>29.99%</b>
<b>Business Summary:</b> Jersey-headquartered international retail and food service operator with over 80 stores across four countries, partnering with blue chip brands including Morrisons, M&S, Costa Coffee, Iceland and Matalan	

Sandpiper’s share price at 30 June 2021 was 87p, up from 80p at the start of the year.

In May 2021, Sandpiper released its annual report and audited financial statements for the period ended 30 January 2021, reporting increases of just over 6% in revenue and 3% in trading EBITDA on the previous year.

Sandpiper’s results for the year to 30 January 2021 highlight the company’s resilience throughout a challenging 12 months with lockdown related store closures and pandemic related costs, such as PPE and social distancing measures. Trading across the food retail outlets was outstanding as these remained open and trading through the various lockdowns.

Sandpiper continues to show ambition, and this has been evidenced by its recent expansions in the Isle of Man and Alderney. Management is confident that the company will continue to perform well and grow in the future.

<b>SIGMAROC PLC (“SigmaRoc”)</b>  Investment: <b>Ordinary Shares</b>	AIM Listed: <b>SRC</b>  % of Bailiwick’s net assets: <b>20.12%</b>  % of voting rights held: <b>6.40%</b>
<b>Business Summary:</b> AIM listed buy-and-build construction materials company with the goal of generating shareholder value from a highly targeted investment strategy. SigmaRoc was founded to purchase Ronez in Guernsey and Jersey, closely followed by its own dedicated cargo vessel for	

**BAILIWICK INVESTMENTS LIMITED**  
**INVESTMENT MANAGER'S REPORT**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

bulk shipping activities. SigmaRoc has since made a number of acquisitions in the UK and most recently in Belgium and France

SigmaRoc's share price at 30 June 2021 was 94.5p, an impressive increase of 31.5p from 63.0p as at 31 December 2020.

In its trading update published on 19 May 2021, SigmaRoc announced that the Group had generated revenues of £36.7m in the first quarter of 2021, an increase of 12% over the same period in 2020 which was itself largely unaffected by the pandemic. Both margins and cash generation continue to be strong.

Highlights from the past 6 months include: the launch of a cement-free, ultra-low carbon concrete block (Greenbloc) with the range of similar products to be extended from January 2022; the significant expansion of its European aggregates business; the acquisition of B-Mix Beton and Casters Beton; and entry into a joint venture with Carrières du Boulonnais, a high-grade limestone and construction materials company based in Calais.

SigmaRoc enjoyed a very positive first half of the year and management is confident that this will continue over the rest of 2021. On 15 July, SigmaRoc announced that it had conditionally agreed to acquire Nordkalk, a limestone developer in Finland, for a total consideration of €470m funded by a combination of new equity raised (£260m), issue of shares to the seller and external debt.

<b>GUERNSEY RECYCLING (1996) LIMITED ("GRG")</b>	Private Company
Investment: <b>B ordinary shares</b>	% of Bailiwick's net assets: <b>14.86%</b>
	% of voting rights held: <b>28.84%</b>
<b>Business Summary:</b> Guernsey-headquartered waste to resource management group operating in the Channel Islands, the UK and Cayman Islands	

GRG has enjoyed an excellent start to the year with revenues and profits ahead of budget and the equivalent prior year period. The company has been affected by lockdown restrictions in various guises across all its operating locations but has navigated these effectively and commodity prices have remained solid in 2021, having bounced back in 2020 from the exceptional lows experienced in 2019. Management now anticipates EBITDA for the full year to significantly outstrip its original budget.

GRG continues to explore further acquisition opportunities to expand and complement its existing operations, whilst also giving focus to the successful integration of its recent acquisitions. The Investment Manager remains fully supportive of the management team and its strategic plans.

<b>JACKSONS GROUP LIMITED ("Jacksons") THE OCTANE PCC LIMITED - OCTANE CELL</b>	Private Company
Investment: <b>Ordinary Shares</b> <b>Preference Shares</b>	% of Bailiwick's net assets: <b>10.11%</b>
	% of voting rights held: <b>39.52%</b>
<b>Business Summary:</b> Motor dealerships in Guernsey, Jersey, Isle of Man and Isle of Wight, including Jacksons and Motor Mall in the Channel Islands. Offers full franchises for high end brands such as Aston Martin, Audi, Bentley, BMW, Jaguar, Land Rover, Mercedes Benz, Mini, Porsche, Smart, and Volkswagen amongst others. Strongly asset-backed, with net assets equal to 65% of the valuation.	

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Operations were closed in Guernsey and the Isle of Man due to local government lockdowns imposed earlier this year. Despite this, management worked tirelessly to recover any losses and as a result, strong profits delivered over the first half of the year are anticipated to continue with a robust return expected for 2021 as a whole.

Possible supply issues with microchips are facing the sector, but management are taking steps to mitigate the impact of this where possible. There has also been a noticeable increase in appetite for electric cars since the first lockdown, and the multi-generation shift to electric cars is likely to underpin demand for years to come.

The Investment Manager is pleased with Jacksons' performance to date which continues to be resilient in response to the pandemic, with management focused on improving its working capital cycles and exploring opportunities within its property portfolio to clear down existing debt.

<b>THE INTERNATIONAL STOCK EXCHANGE GROUP LIMITED ("TISEG")</b>  Investment: <b>Ordinary Shares</b>	TISE Listed: <b>TISEG</b> % of Bailiwick's net assets: <b>4.68%</b> % of voting rights held: <b>13.61%</b>
<b>Business Summary:</b> 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").	

TISEG's share price increased from £9.00 as at the year end to £10.25 at 30 June 2021.

TISEG continues to build on its strong performance from 2020, with post-tax earnings per share for the first half of 2021 expected to be ahead of the prior year. A 30% increase in the number of securities admitted to the Official List of TISE compared with the first 6 months of 2020 was reported, taking the total number of listed securities to 3,431 as at 30 June 2021.

The company has retained its position as one of the leading venues for listing international high yield corporate bonds and has also seen strong growth in securitisation business. A new Qualified Investor Bond Market, a dedicated exchange offering for the listing of bonds marketed to qualified investors, was launched in August 2021.

<b>JERSEY ELECTRICITY PLC ("JEL")</b>  Investment: <b>A Ordinary Shares</b>	LSE Listed: <b>JEL</b> % of Bailiwick's net assets: <b>4.24%</b> % of voting rights held: <b>1.96%</b>
<b>Business Summary:</b> The core business is the supply and distribution of sustainable, low carbon energy. Related services include commercial and domestic building services, energy solutions, environmental engineering, retail, IT and property. The States of Jersey owns 62% of the ordinary share capital, which is unlisted.	

JEL's share price as at 30 June 2021 was 595p per share, an increase of 67.5p from 31 December 2020 (527.5p).

JEL has continued to perform well, with the ongoing pandemic having limited impact. In its half yearly report for the 6 month period to 31 March 2021, JEL announced an increase in revenue of



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**INVESTMENT MANAGER'S REPORT**  
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£2.9m compared with the same period in the prior year and net cash of £5.9m (2020: £2.9m net debt). Strong performance and slightly lower operating costs have offset the rise in wholesale energy costs. The company paid an interim dividend of 7.20p per share (2020: 6.80p) in June 2021.

<b>MITONOPTIMAL INTERNATIONAL LIMITED</b> <b>("Miton")</b>  Investment: <b>Ordinary Shares</b> <b>5% Loan Notes</b> <b>6% Loan Notes</b>	Private Company  % of Bailiwick's net assets: <b>3.86%</b>  % of voting rights held: <b>11.41%</b>
<b>Business Summary:</b> independent, multi-asset investment managers with offices in the Channel Islands, UK and South Africa, focussed on the delivery of discretionary fund management and client portfolio management services to a global client base of intermediaries and private clients	

Miton continues to sell off the business piecemeal and is currently in the process of disposing of its Wolverhampton and Guernsey subsidiaries. The repayment of Bailiwick's loan notes has been agreed from the expected proceeds.

<b>OATLANDS VILLAGE (F B LIMITED) ("Oatlands")</b>  Investment: <b>Ordinary Shares</b> <b>Preference Shares</b>	Private Company  % of Bailiwick's net assets: <b>3.29%</b>  % of voting rights held: <b>44.15%</b>
<b>Business Summary:</b> 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.	

Alongside many businesses in Guernsey, Oatlands was forced to close during the lockdown restrictions implemented in early 2021. Despite the challenges this posed, management successfully completed a number of ongoing projects in the first half of the year to improve its offering: Guernsey's first fast-food drive through; an upgrade to the crazy golf course; and the redevelopment of the former Jungle House to a children's nursery.

Oatlands welcomed a new investor, Guy Hands, in July this year to sit alongside Bailiwick and director Chris Coles. This restructure fulfilled the retirement wishes of a fellow director and enabled him to sell his interest whilst also raising funds with a view to invest in further opportunities within the existing grounds of Oatlands. Each of the three shareholders will hold an equal share in the business, including both ordinary and preference shares.

<b>CHANNEL ISLANDS MEDIA GROUP LIMITED</b> <b>("CIMG")</b>  Investment: <b>Ordinary Shares</b>	Private Company  % of Bailiwick's net assets: <b>2.43%</b>  % of voting rights held: <b>30.36%</b>
<b>Business Summary:</b> 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	

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**INVESTMENT MANAGER'S REPORT**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

the Bailiwick of Guernsey. TPA is a professional services company creating marketing and digital development output across a range of media in Guernsey and Jersey, with a focus to grow its offering in Jersey.

CIMG has focused this year on improving the organisational structure of the GP, integrating new team members, and onboarding new clients in TPA while ensuring that service levels remain high for existing clients.

The GP saw a fall in advertising revenue during the local lockdown in early 2021. This was driven by business customers seeking to preserve cash through cutting their discretionary expenditure. Activity bounced back to pre-COVID levels, however, following the easing of restrictions at the end of the first quarter.

TPA is experiencing strong demand and winning significant new clients both in Guernsey and in Jersey where it has placed particular emphasis on future growth.

<b>LE PLATON RESIDENTIAL HOME ("Le Platon")</b>	Private Company
Investment: <b>7% Loan Notes due 2025</b>	% of Bailiwick's net assets: <b>0.89%</b>
	% of issued loan notes held: <b>57.69%</b>
<b>Business Summary:</b> 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.	

Phase one of the development was completed last Autumn and 20 new beds were made available. Phase two is delayed due to restricted labour resources in Guernsey and construction material supply issues. Management expects to claw back some of the delay following the easing of border restrictions, with the revised completion date now being May 2022.

<b>POLYGON GROUP LIMITED ("Polygon")</b>	TISE Listed: <b>POLYGONG</b>
Investment: <b>8% bonds due May 2022</b>	% of Bailiwick's net assets: <b>0.88%</b>
	% of issued bonds held: <b>25.3%</b>
<b>Business Summary:</b> Polygon is an independent, family-owned investment company managing a diverse portfolio that provides support and unique investments to businesses, sophisticated investors and high net worth individuals across Guernsey and Jersey.	

Polygon released its financial results for the year ended 30 June 2020 earlier this year, reporting a profit of £1m and increasing its Net Asset Value from £22.7m to £23.8m.

Polygon announced in September 2020 that it had completed its acquisition of a 35% shareholding in Advisa Group Limited and has agreed terms with the sellers to increase such shareholding to 50% over the next three years.

**Ravenscroft Specialist Fund Management Limited**  
**12 August 2021**

**BAILIWICK INVESTMENTS LIMITED**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

		1 Jan 2021 to 30 Jun 2021	1 Jan 2020 to 30 Jun 2020
	Notes	£	£
		<u>Unaudited</u>	
<b>Income</b>			
Net gain/ (loss) on financial assets at fair value through profit or loss	5	10,287,091	(6,736,711)
Investment income		815,248	385,593
		<u>11,102,339</u>	<u>(6,351,118)</u>
<b>Expenses</b>			
Performance fee		726,294	(67)
Management fees		462,142	343,134
Loan interest expense		-	41,796
Administration and other expenses	4	198,941	178,124
		<u>1,387,377</u>	<u>562,987</u>
<b>Total profit/(loss) and comprehensive income for the period</b>		<u><u>9,714,962</u></u>	<u><u>(6,914,105)</u></u>
Weighted average shares in issue during the period		57,000,000	57,068,132
<b>Profit/(loss) per Ordinary Share (basic and diluted)</b>		<b>£0.17</b>	<b>(£0.12)</b>

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

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

**BAILIWICK INVESTMENTS LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Notes	30 Jun 2021 £ <u>Unaudited</u>	31 Dec 2020 £ <u>Audited</u>
<b>Assets</b>			
Financial assets at fair value through profit or loss	5	<b>81,123,235</b>	73,756,566
Other receivables and prepayments	7	<b>149,114</b>	165,884
Cash and cash equivalents	8	<b>3,708,590</b>	2,031,131
<b>Total assets</b>		<b>84,980,939</b>	75,953,581
<b>Liabilities</b>			
Other payables	9	<b>860,499</b>	123,103
<b>Total liabilities</b>		<b>860,499</b>	123,103
<b>Net assets</b>		<b>84,120,440</b>	75,830,478
<b>Equity</b>			
Share capital	10	-	-
Share premium	10	<b>59,882,718</b>	59,882,718
Retained profit		<b>24,237,722</b>	15,947,760
<b>Total Equity</b>		<b>84,120,440</b>	75,830,478
<b>Net Asset Value per Ordinary Share</b>	12	<b>£1.4758</b>	£1.3304

Approved by the Board of Directors on 12 August 2021 and signed on its behalf by:



Sir Geoffrey Rowland  
Chairman

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

**BAILIWICK INVESTMENTS LIMITED**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Retained Earnings £</b>	<b>Total £</b>
<b>Balance at 1 January 2021</b>	-	59,882,718	15,947,760	75,830,478
Total profit and comprehensive income for the period	-	-	9,714,962	9,714,962
Dividend	-	-	(1,425,000)	(1,425,000)
<b>Balance at 30 June 2021 (unaudited)</b>	<b>-</b>	<b>59,882,718</b>	<b>24,237,722</b>	<b>84,120,440</b>
Balance at 1 January 2020	-	60,362,718	16,200,399	76,563,117
Share buy back 31 January 2020	-	(480,000)	-	(480,000)
Total loss and comprehensive income for the period	-	-	(6,914,105)	(6,914,105)
Dividend	-	-	(1,425,000)	(1,425,000)
<b>Balance at 30 June 2020 (unaudited)</b>	<b>-</b>	<b>59,882,718</b>	<b>7,861,294</b>	<b>67,744,012</b>

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

**BAILIWICK INVESTMENTS LIMITED**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

		1 Jan 2021 to 30 Jun 2021	1 Jan 2020 to 30 Jun 2020
	Notes	£	£
		<u>Unaudited</u>	<u>Unaudited</u>
<b>Cash flows from operating activities</b>			
Total profit/(loss) and comprehensive income for the period		<b>9,714,962</b>	(6,914,105)
Adjusted for:			
Decrease in other receivables and prepayments		<b>16,770</b>	438,786
Increase in payables		<b>737,396</b>	20,649
Purchase of financial assets	5	<b>(1,000)</b>	(3,471,646)
Proceeds from sale of financial assets	5	<b>2,921,422</b>	564,155
Net (gain)/loss on financial assets at fair value through profit or loss	5	<b>(10,287,091)</b>	6,736,711
Decrease in loan interest payable		-	(1,258)
<b>Net cash flows from/(used in) operating activities</b>		<b>3,102,459</b>	(2,626,708)
<b>Cash flows from financing activities</b>			
Share buy back		-	(480,000)
Dividends paid	11	<b>(1,425,000)</b>	(1,425,000)
<b>Net cash flows used in financing activities</b>		<b>(1,425,000)</b>	(1,905,000)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>1,677,459</b>	(4,531,708)
Cash and cash equivalents at start of period		<b>2,031,131</b>	7,513,406
<b>Cash and cash equivalents at end of period</b>		<b>3,708,590</b>	2,981,698

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

## **1 GENERAL INFORMATION**

Bailiwick Investments Limited (the "Company") is a closed-ended investment company registered with limited liability in Guernsey on 22 September 2008 and is authorised under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. The Company is listed on The International Stock Exchange ("TISE").

The principal activity of the Company is to achieve long term capital growth by investment in a diversified portfolio of investments, principally in businesses, property and assets situated, registered, headquartered in or managed from the Channel Islands or in relation to which through the involvement of Channel Islands businesses or individuals, resident in the Channel Islands, there is a material Channel Islands interest.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of compliance and basis of preparation**

These unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting and the Companies (Guernsey) Law, 2008. They do not include all of the information required in full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the financial statements for the year ended 31 December 2020.

### **Significant accounting policies**

The accounting policies adopted in the preparation of these unaudited condensed half-yearly financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations that have become effective during the period. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not effective.

The Company has chosen to reclassify the cash balance held with its broker as cash rather than amount due from broker as the balance is available to be withdrawn on demand. The comparative balances in these condensed financial statements have also been reclassified. There is no impact on the net asset value as a result of the reclassification.

### **Adoption of new and revised standards**

The Directors considered all relevant new standards, amendments and interpretations to existing standards effective for the half-yearly report for the six months ended 30 June 2021. Their adoption has not led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company.

### **Significant accounting estimates and judgements**

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

As at 30 June 2021, included in investments at fair value through profit or loss were 7 unlisted (31 December 2020: 7 unlisted) investments valued at £29,858,939 (31 December 2020: £29,083,113). These investments are not quoted on an exchange, and as such their valuation relies on a degree of informed judgement from the Investment Manager.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Significant accounting estimates and judgements**

The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are consistent with those set out in the annual financial statements for the year ended 31 December 2020.

### **Going concern**

The COVID-19 pandemic and resulting lockdowns had a significant impact on many of the Company's investee businesses as well as on market confidence in general. Nevertheless, the Channel Islands appear to have weathered the storm very well in comparison to most jurisdictions and the Directors have been impressed by the response of the investee businesses to the pandemic. The Company is currently in a healthy net asset position and holds a variety of quality assets with no leverage. Current assets include cash reserves at 30 June 2021 of £3.7 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 fair value of £51.3 million which could be sold in a worst case scenario. The Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these unaudited condensed half-yearly financial statements and consider that the Company is able to continue for the foreseeable future and for at least twelve months from the date of this report.

### **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.

## **3 PRINCIPAL RISKS AND UNCERTAINTIES**

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

As an investment company, the most significant risk is considered to be market risk. As described in the Investment Manager's Report, the Company's portfolio shows an excellent performance over the first six months of 2021, despite the ongoing challenges posed by COVID-19. This strong return has been underpinned by the uplifts in the Company's listed stocks and supported by robust performances amongst its unlisted investments.

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



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**4 ADMINISTRATION AND OTHER EXPENSES**

	1 Jan 2021 to 30 Jun 2021	1 Jan 2020 to 30 Jun 2020
	£	£
Administration fees	64,291	52,198
Audit fees	17,500	15,000
Directors' fees	63,750	55,000
Registrar fees	2,500	2,500
Legal and professional fees	2,325	9,698
Custody fees	27,284	18,550
Other sundry expenses	21,291	25,178
	<b>198,941</b>	<b>178,124</b>

**5 FINANCIAL ASSETS AND LIABILITIES**

**Categories of financial assets and financial liabilities**

	Financial assets measured at FVTPL	Financial assets measured at amortised cost	Total
	£	£	£
<b>30 June 2021</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	81,123,235	-	81,123,235
Other receivables	-	140,777	140,777
Cash and cash equivalents	-	3,708,590	3,708,590
	<b>81,123,235</b>	<b>3,849,367</b>	<b>84,972,602</b>
<b>31 December 2020</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	73,756,566	-	73,756,566
Other receivables	-	151,318	151,318
Cash and cash equivalents	-	2,031,131	2,031,131
	<b>73,756,566</b>	<b>2,182,449</b>	<b>75,939,015</b>
		<b>Financial liabilities measured at amortised cost</b>	<b>Total</b>
		£	£
<b>30 June 2021</b>			
<b>Financial liabilities</b>			
Other payables		860,499	860,499
		<b>860,499</b>	<b>860,499</b>
<b>31 December 2020</b>			
<b>Financial liabilities</b>			
Other payables		123,103	123,103
		<b>123,103</b>	<b>123,103</b>

## **5 FINANCIAL ASSETS AND LIABILITIES (continued)**

### **Financial assets at fair value through profit or loss**

	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
	<b>£</b>	<b>£</b>
Fair value brought forward	<b>73,756,566</b>	70,588,457
Purchases at cost	<b>1,000</b>	4,937,788
Sales	<b>(2,921,422)</b>	(3,969,247)
Net gain on financial assets at fair value through profit or loss	<b>10,287,091</b>	2,199,568
Fair value carried forward	<b>81,123,235</b>	73,756,566
Represented by:		
Closing book cost	<b>47,325,678</b>	49,164,228
Closing revaluation of investments	<b>33,797,557</b>	24,592,338
	<b>81,123,235</b>	73,756,566

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

## **6 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

**6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 30 June 2021:

	Level 1 £	Level 2 £	Level 3 £	Total £
<i>Investments at fair value</i>				
Listed securities				
Construction	16,924,950	-	-	16,924,950
Financial services	3,935,631	-	-	3,935,631
Investment Holding	-	740,000	-	740,000
Retail	26,093,715	-	-	26,093,715
Utilities	3,570,000	-	-	3,570,000
Unlisted securities				
Motor Trade	-	-	8,502,500	8,502,500
Media	-	-	2,040,000	2,040,000
Waste recycling	-	-	12,501,402	12,501,402
Investment Property	-	-	3,565,037	3,565,037
Financial Services	-	-	3,250,000	3,250,000
	<b>50,524,296</b>	<b>740,000</b>	<b>29,858,939</b>	<b>81,123,235</b>

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

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

## **6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment-grade corporate bonds and listed equities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The investment in Polygon Group Limited 8% Bonds due 2022 is classified as level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments may include private equity and corporate debt securities. As observable prices are not available for these securities, the Company uses valuation techniques to derive the fair value.

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

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

The investment in MitonOptimal International Limited is valued based on expected net proceeds of sale, and includes debt securities which are carried at redemption values.

The investment in Channel Islands Media Group Limited ("CIMG") is based on an external valuation of TPA Guernsey Limited at the time of its acquisition by CIMG in August 2020 and the agreed valuation of CIMG at that point of acquisition. The investment in F B Limited is valued using the agreed transaction price of its ordinary shares in July 2021 as part of its restructuring.

The investment in Le Platon Home LBG 7% Secured A Loan Note 2026 took place on 21 January 2020. The Investment Manager considers there were no changes or events subsequent to this investment that would imply a change in its fair value from the original investment price.

Further details of the performance of each investment including changes in business or economic circumstances can be found in the Investment Manager's report on page 4.

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

	<b>Other investments</b>
	<b>£</b>
Opening balance	<b>29,083,113</b>
Purchases	<b>1,000</b>
Sale proceeds	<b>(500,000)</b>
Net gain on financial assets at fair value through profit or loss	<b>1,274,826</b>
Closing balance	<b>29,858,939</b>

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**6 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

Level	Valuation technique	Description	Fair Value (£)	Unobservable inputs	Weighted average input	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs
Level 3	Investment Manager's valuation based on NAV	Bailiwick Investment Holdings Limited	48,891	Administrator's NAV calculation	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on purchase cost	Channel Islands Media Group Limited Le Platon Home LBG	2,790,000	N/A	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on recent transaction	F B Limited (Oatlands)	2,766,146	Recent transaction price	N/A	The estimate of fair value would increase/decrease if the transaction price was higher/lower	A 5% increase/ decrease in the transaction price would have resulted in an increase/ decrease in fair value of £117,717
Level 3	Investment Manager's valuation based on earnings multiple plus property valuation	Guernsey Recycling (1996) Limited The Octane PCC Limited - Octane Cell (Jacksons)	21,003,902	EBITDA multiple	5.5	The estimate of fair value would increase/decrease if the EBITDA multiple was higher/lower	A shift of +/- 1 in the multiple would have resulted in an increase/ decrease in fair value of £2,484,566
Level 3	Investment Manager's valuation based on repayment of loan notes and expected sale proceeds	MitonOptimal International Limited	3,250,000	Investment Manager's valuation	N/A	N/A	N/A
Total			29,858,939				

**7 OTHER RECEIVABLES AND PREPAYMENTS**

	30 Jun 2021	31 Dec 2020
	£	£
Investment income receivable	140,777	151,251
Prepayments	8,337	14,566
Performance fee clawback	-	67
	<b>149,114</b>	<b>165,884</b>

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

**8 CASH AND CASH EQUIVALENTS**

	30 Jun 2021	31 Dec 2020
	£	£
Cash at bank	2,176,331	1,517,745
Cash with broker	1,082,259	13,386
Certificates of deposit	450,000	500,000
	<b>3,708,590</b>	<b>2,031,131</b>

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

**9 OTHER PAYABLES**

	30 Jun 2021	31 Dec 2020
	£	£
Performance fee	726,227	-
Management fee	-	54,355
Administration fee	61,322	28,602
Audit fee	34,200	33,400
Directors fees	36,250	-
Other payables	2,500	6,746
	<b>860,499</b>	<b>123,103</b>

**10 SHARE CAPITAL**

	30 Jun 2021	
	£	
<b>Authorised Share Capital</b>		
Unlimited ordinary shares of no par value	-	
<b>Issued Share Capital</b>	<b>Number of Shares</b>	<b>Share Premium</b>
		£
Balance at 30 June 2021 and 2020	<b>57,000,000</b>	<b>59,882,718</b>

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

## **11 DIVIDENDS**

	1 Jan 2021 to 30 Jun 2021	1 Jan 2020 to 30 Jun 2020
	£	£
Dividend of 2.50p per share paid 18 June 2021 (12 June 2020: 2.50p)	1,425,000	1,425,000
	<b>1,425,000</b>	<b>1,425,000</b>

## **12 NET ASSET VALUE PER ORDINARY SHARE**

The net asset value per ordinary share is calculated based on the net assets attributable to ordinary shareholders of £84,120,440 and on 57,000,000 Ordinary Shares in issue at 30 June 2021 (31 December 2020: 57,000,000 Ordinary Shares).

## **13 RELATED PARTY TRANSACTIONS**

### *Shares held by related parties*

Sir Geoffrey Rowland had a beneficial interest in 805,000 shares (31 December 2020: 805,000) in the Company at the reporting date and held 176,449 (31 December 2020: 150,000) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

Susie Farnon had a beneficial interest in 327,118 (31 December 2020: 327,118) shares in the Company at the reporting date and held 70,000 (31 December 2020: 70,000) shares in Ravenscroft Holdings Limited, the parent company of the Investment Manager.

John Henwood had a beneficial interest in 100,000 shares (31 December 2020: 75,000) in the Company at the reporting date.

Kevin Keen had a beneficial interest in 40,000 shares in the Company at the reporting date.

Jon Ravenscroft, a Director of the Investment Manager, had a beneficial interest in 1,300,000 shares (31 December 2020: 1,250,000) in the Company at the reporting date.

Brian O'Mahoney, a Director of the Investment Manager, had a beneficial interest in 161,000 shares (31 December 2020: 161,000) in the Company at the reporting date.

### *Fees incurred in relation to related parties*

The amounts charged for the period for the Directors', Investment Manager's and Administrator's fees are disclosed in note 4 and in the income statement. The balances outstanding at the reporting date in relation to these fees are disclosed in note 9.

## **14 ULTIMATE CONTROLLING PARTY**

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

## **15 COMMITMENTS AND CONTINGENCIES**

There are no commitments or contingencies to report.

## **16 EVENTS AFTER THE REPORTING DATE**

On 22 July 2021, the Company sold a 2.42% ordinary share interest in FB Limited ("Oatlands") to a third party who has invested into Oatlands as part of a restructuring. This has also enabled one of the original shareholders and principals to exit due to a change in personal circumstances. Each of the three shareholders in Oatlands holds an equal stake in the business, including both ordinary and preference shares.

There are no other subsequent events to report.