MARWYN VALUE INVESTORS LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

MARWYN VALUE INVESTORS LIMITED
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Fund Structure

Marwyn Value Investors Limited (LSE: MVI and MVIR) (the "Company") is a feeder fund which has invested all of its available capital into limited partnership interests through Marwyn Value Investors LP (the "Master Fund").

The Master Fund has seeded a second master fund, Marwyn Value Investors II LP (the "Second Master Fund"), a private equity fund structure through which the Master Fund's investments will be made (except for investments attributable to Class R(F)1 interests and Class R(G)1 interests). Further investment capital may be raised through private equity limited partnership investors. The Master Fund will not bear any costs in relation to the Second Master Fund if there is no third party investment into the Second Master Fund.

The Company's sole investments are in four classes of the Master Fund, Class F and Class G interests (collectively the "ordinary interests"), Class R(F)1 and Class R(G)1 interests (collectively the "realisation interests"). As at 31 December 2016, the assets attributable to these classes were all invested by the Master Fund, directly or indirectly, in the same underlying portfolio companies.

With the exception of the Master Fund's investment in Le Chameau Group plc (the "LCG asset"):

- the assets attributable to the ordinary share interests are used by the Master Fund to subscribe for partnership interests in the Second Master Fund, which in turn makes investments into portfolio companies; and
- the portfolio company interests attributable to the realisation share interests are held directly and exclusively by the Master Fund.

In the case of the LCG asset, the portions of the LCG asset attributable to both the ordinary share interests and the realisation share interests are held directly and exclusively by the Master Fund.

Realisation class offer

On 19 October 2016, investors were offered the opportunity to redesignate ordinary shares as realisation shares pursuant to a realisation class offer (the "Realisation Class Offer"). As a result of this, on 30 November 2016, 8,520,206 ordinary shares were redesignated as realisation shares and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

The realisation shares rank equally and otherwise carry the same rights as the ordinary shares, save that (i) the investment policy in respect of the assets relating to the realisation shares will be managed as described in the following Investment policy section; (ii) the ordinary share distribution policy applicable to the ordinary shares will not apply to the realisation shares; and (iii) the realisation shares will entitle the realisation shareholders to returns only in respect of the realisations made on investments attributable to the realisation pool. Further details of the realisation share class are included in Note 5.

The net asset value per share of both the ordinary and realisation shares as at the redesignation date on 30 November 2016 was 2.15676p; this resulted in a total net asset value attributable to ordinary shareholders of £152,637,553 and a total net asset value attributable to realisation shareholders of £18,376,002. The next Realisation Class Offer will be made available to ordinary shareholders in November 2021.

Investment objective

The investment objective of the Company is to maximise total returns on its capital primarily through the capital appreciation of its investments. The Company is traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "SFS").

Investment policy

There are no investment restrictions for either the Company or the Master Fund. The only restriction relating to the Second Master Fund is that no more than 30% of aggregate commitments (subject to a minimum aggregate commitment of £500 million) may be invested in any single portfolio company.

The Master Fund and the Second Master Fund invest either directly or indirectly into underlying investment assets (the "Portfolio Companies"). The Master Fund and the Second Master Fund are permitted to make follow-on investments into the Portfolio Companies and in the case of capital relating to the Company's ordinary shares to invest in new Portfolio Companies. The Master Fund also has an express power to use cash to acquire the Company's shares at a discount to their net asset value for cancellation. Any such acquisitions and cancellations will be net asset value enhancing for the Company.

The assets attributable to realisation shareholders (the "realisation pool") will be managed with a view to maximising investment returns, realising investments and making distributions to the holders of realisation shares as realisations are made. The realisation pool will only be permitted to invest cash allocated to it upon its creation in follow-on investments into existing Portfolio Companies made within three years of the creation of the realisation pool. Unlike the investment policy in respect of the assets relating to ordinary shareholders, cash generated on the sale of an investment in the realisation pool may not be re-invested.

Investment strategy

Overview

Marwyn's strategy, applied to all funds managed by Marwyn Asset Management Limited (the "Manager"), is to identify, support, invest in and work alongside experienced operational management teams in mid-cap businesses headquartered in the UK, Europe or the Americas, often with global operations (target enterprise value at entry of £150 million to £2 billion) through multi-year active participation where Marwyn's day-to-day collaborative involvement with management significantly enhances strategic alignment.

Marwyn's approach brings private equity-style investment principles to bear in primarily public equity environments. Marwyn acquires equity stakes typically as a cornerstone investor and draws upon capital from a high calibre universe of co-investors which augments purchasing power when pursuing acquisitions and provides an independent validation of Marwyn's investment thesis.

Management

Marwyn seeks experienced managers with strong track records of creating shareholder value and typically works closely with them on-site for 6-12 months prior to a listing or an initial acquisition. The management teams Marwyn works with leverage their extensive industry networks and expertise in the identification of proprietary acquisition opportunities and in assembling a preeminent executive team around them. Working together with management, Marwyn refines the strategy, identifies targets and conducts due diligence.

Marwyn's relatively long term investment horizon and day-to-day collaborative involvement with management both before and after the initial acquisition significantly enhances strategic alignment.

Marwyn has an established track record in being able to source and incentivise market leading, proven management teams using long-term incentive packages which are competitive with traditional private equity incentive packages. Building strong relationships with leading management teams increases the likelihood of high quality deal flow and a successful execution of their strategy within the sector in which the relevant management team is operating. In order to develop relationships with management teams, Marwyn provides them with a support base within Marwyn's offices, access to Marwyn's infrastructure, investor, advisory and commercial relationships and Marwyn's capital markets expertise. In Marwyn's experience, management teams are frequently attracted to working in the public markets with support from experienced investors.

Sector focus

Marwyn has a sector-agnostic approach to investing, typically targeting sectors where structural and/or regulatory change are driving a shift in value that may be exploited. Frequently, returns and speed of execution are amplified through deploying acquisitive "Buy-and-Build" growth strategies in fragmented markets, where potential exists for revenue and/or cost synergy.

Public markets

Marwyn believes that one of the key advantages of operating in the public markets is access to a quick and efficient source of capital at all stages of an investment's life cycle. Additionally, the enhanced liquidity facilitates smooth changes in ownership and the use of equity as consideration during mergers and acquisitions.

The Manager

Marwyn Asset Management Limited is the manager of the Company, the Master Fund and the Second Master Fund. The Manager is advised by Marwyn Investment Management LLP (the "Investment Adviser").

The Management Agreement governing the Company's investments allows for the investment strategies that the Manager may employ to be in any securities, instruments, obligations, guarantees, derivative instrument or property of whatsoever nature in which the relevant vehicle is empowered to invest and as contemplated by its investment policy.

The Company does not pay a management fee or incentive allocation to the Manager in respect of the Company's investment in the Master Fund. The valuation of the Company's investment in the Master Fund takes into account the management fee and incentive allocation payable by the Master Fund that is applicable to the classes of partnership interests in which the Company invests. No management fees or incentive allocation are currently payable by the Second Master Fund.

Performance summary

Ordinary Shares

The Company's strategy has delivered a 186.8%[1] total return to ordinary shareholders since inception in March 2006 to 31 December 2016, compared with a total return of 91.30% for the FTSE All-Share Index over the same period.

Realisation Shares

The total return attributable to realisation shareholders since inception on 30 November 2016 to 31 December 2016 is (1.50)%.

For the year ended 31 December 2016, the Net Asset Value ("NAV") per ordinary share decreased by 11.91%, representing a (6.86)% total return accounting for distributions to shareholders, compared with a total return of 16.75% for the FTSE All-Share over the same period.

The reduction in NAV per ordinary share over the period is primarily attributable to a decline in the share price of Zegona Communications plc and fair value of Le Chameau Group plc partially offset by a rise in the share price of BCA Marketplace plc.

[1] The total return from inception to date is based on the reinvestment of dividends paid to shareholders into the Company at NAV and is calculated on a cum-income basis.

I present to shareholders the audited Annual Report and financial statements of the Company for the year ended 31 December 2016.

New Distribution Policy

At the December 2015 Extraordinary General Meeting to approve the fundraising of £50 million (before expenses), shareholders also approved a new distribution policy in respect of the ordinary shares (the "New Distribution Policy"). Pursuant to the New Distribution Policy, a special distribution of 2p per ordinary share was paid in January 2016 along with quarterly interim dividends of 2.064p per ordinary share made in January, April, July and October 2016. It is currently intended that such minimum payments will continue to be made on an ongoing basis in January, April, July and October of each year. To the date of this report, a total of £34.0 million has been returned to ordinary shareholders since the implementation of the original distribution policy for ordinary shares in November 2013.

Returns to investors

The total return to ordinary shareholders, assuming reinvestment of dividends, over the year was (6.86)% comprising a decline in Net Asset Value per ordinary share of 11.91% and dividend returns of 12.32p per ordinary share (including the January 2017 dividend announced on 28 December 2016). The total dividends paid to ordinary shareholders in 2016 were 10.256p per share).

Further information regarding these distributions is contained in Note 12 to these financial statements.

A detailed review of the performance of the underlying Portfolio Companies is set out in the Report of the Manager.

Discount

The Manager, together with the Board and the Investment Adviser, continues to monitor the discount of the share prices to the Company's NAV per share on a regular basis. We are committed to explore, and where appropriate pursue, opportunities to reduce the discount. We believe that the deployment of the Company's cash reserves in opportunities within the existing portfolio and, for ordinary shareholders, future cash shells, together with a distribution policy containing a regular and predictable quarterly dividend stream should lead to an improvement in both the liquidity of the shares and a narrowing of the discount to the NAV. Furthermore, we believe that the distribution of proceeds on the sale of investments attributable to realisation shareholders as those investments are realised in line with the Investment Policy will serve to reduce the discount of the realisation shares.

As at 31 December 2016, the discount to NAV of the ordinary shares was 32.2%, compared to a discount of 10.8% as at 31 December 2015. We believe that utilising the Company's cash reserves to undertake a share buy-back scheme would not be beneficial in the longer term as it will restrict our ability to support follow-on fundraises by existing portfolio companies which will prevent dilution to our holdings, and restrict our ability to further diversify the portfolio by investing in new management teams.

The policy on share buy-backs is regularly reviewed by the Board in consultation with the Manager.

As at 31 December 2016, the discount to NAV of the realisation shares was 32.9%.

Applicable legislation

Certain disclosures are required to be made to investors on an annual basis pursuant to the Codes of Practice for Alternative Investment Funds and AIF Services Business (the "Codes") as required under the licence held by the Manager. The Company's audited financial statements for the twelve months ended 31 December 2016 include all relevant disclosures that would constitute an annual report in accordance with the Codes.

The Board has considered the requirements of the Foreign Account Tax Compliance Act ("FATCA"), Common Reporting Standards ("CRS") and associated jurisdictional requirements and has appointed the Manager as its Sponsor in this regard. The Manager is responsible for ensuring ongoing compliance.

Fund facility

In June 2014, the Master Fund entered into a £45 million secured revolving credit facility with Credit Suisse (the "Facility") which accrues interest at 2.10% per annum on drawn amounts and a commitment fee of 0.06% per annum on undrawn amounts. The Facility is not allocated to any particular class of interests in the Master Fund and may be used to make investments for any class open for investment (other than classes attributable to realisation shareholders) and for general corporate purposes. It has a three year term and is repayable in full at final maturity. Drawdown under the Facility is subject to certain covenants and other conditions precedent. As a result of the cash balance held at the Master Fund level and with no forecast requirement for any drawdown of the Facility, the Facility limit has been reduced to £1 as at 31 December 2016, reducing commitment fee expenses. The Facility was undrawn throughout 2016.

Outlook

The Board believes that the Company continues to offer a unique and attractive proposition for investing in actively managed investment opportunities and acquisition-led growth strategies in selected industries as demonstrated by recent further investments into BCA Marketplace plc and Zegona Communications plc and investment into two new Portfolio Companies, Safe Harbour Holdings plc ("Safe Harbour") (formerly "Marwyn Specialty Chemicals plc") and subsequent to the year end, Wilmcote Holdings plc ("Wilmcote").

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The Board further believes that the Company is well placed to deliver significant investment returns to shareholders as the Master Fund and the Second Master Fund continue to execute their strategy, it is anticipated that further investment will be made into Gloo Networks plc, Safe Harbour and Wilmcote on their platform deals and that the portfolio, which currently numbers six investments including Safe Harbour and Wilmcote, will eventually comprise seven to eight investments.

Performance of Ordinary Shares

The NAV per ordinary share of the Company decreased during the year by 28.5p to £2.10683, a decrease of (11.91)%, with the payment of quarterly dividends of 2.064p per ordinary share totalling 8.256p per ordinary share in the year and a special dividend of 2p per ordinary share, generating a total return over the period of (6.86)%. As at 31 December 2016, the discount of the share price to NAV per share was 32.2%, an increase over the year from 10.7% as at 31 December 2015.

	Total Return[2]	FTSE All-Share
Year (to 31 December 2016)	(6.9)%	16.7%
Since inception (1 March 2006 to 31 December 2016)	186.8%	91.3%

Performance of Realisation Shares

The NAV per realisation share of the Company decreased during the period (from inception on 30 November 2016) by 3.2p to £2.12439, a decrease of 1.50%. As at 31 December 2016, the discount of the share price to NAV per share was 32.9%.

	NAV	FTSE All-Share
Since inception (30 November2016 to 31 December 2016)	1.5%	5.0%

Robert Ware
Chairman
13 April 2017

[2] Total return assumes the reinvestment of dividends paid to shareholders into the Company at NAV and is calculated on a cum-income basis.

DISCLAIMER

The report of the Manager ("Manager's Report") is issued by Marwyn Asset Management Limited which has been registered as a fund service business provider under the Financial Services (Jersey) Law 1998 by the Jersey Financial Services Commission (the "Commission"), in connection with the Master Fund, the Second Master Fund and the Company The Commission is protected by the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its function under that law. This Manager's Report does not constitute a prospectus or offering document relating to the Master Fund, the Second Master Fund or the Company, nor does it constitute or form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Master Fund, the Second Master Fund or the Company (an "Investment") nor shall this Manager's Report or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

Persons who wish to make an Investment are reminded that any such Investment should only be made on the basis of the information contained in materials provided for that purpose for your consideration and not on the information contained in this Manager's Report. No reliance may be placed, for any purposes whatsoever, on the information contained in this Manager's Report or on its completeness and this Manager's Report should not be considered a recommendation by Marwyn Investment Management LLP, the Manager or any member of the Marwyn group or any of their respective advisers or affiliates, the Master Fund, the Second Master Fund or the Company (the "Relevant Entities") in relation to an Investment. No representation or warranty, express or implied, is given by or on behalf of the Relevant Entities or any of their respective directors, partners, officers, employees, advisers or any other persons as to the accuracy, fairness or sufficiency of the information or opinions contained in this Manager's Report and none of the information contained in this Manager's Report has been independently verified by the Relevant Entities or any other person. Save in the case of fraud, no liability is accepted for any errors, omissions or inaccuracies in such information or opinions.

The distribution of this document in certain jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This Manager's Report includes "forward-looking statements" which includes all statements other than statements of historical facts, including, without limitation, those regarding the Master Fund's and the Company's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Master Fund, the Second Master Fund or the Company that could cause the actual results, performance or achievements of the Master Fund, the Second Master Fund or the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Master Fund, the Second Master Fund and the Company and the environment in which the Master Fund, the Second Master Fund or the Company will operate in the future.

These forward-looking statements speak only as at the date of this Manager's Report.

Investing in the Company involves certain risks, as detailed in these financial statements, and as described more fully in the prospectus published by the Company on 19 October 2016.

The Manager presents its 2016 annual report to the shareholders of the Company.

The review that follows refers to the underlying Portfolio Companies in which the Company is indirectly invested.

What we invest in

One of the founding principles of the investment strategy is to identify, support, invest in and work alongside experienced operational management teams to manage, build and grow small and mid cap businesses with a target enterprise value of £150 million to £2 billion headquartered in the UK, Europe or the Americas.

Our approach brings private equity-style investment principles to bear in primarily public equity environments. Marwyn funds typically act as the lead cornerstone investor and draw on capital from high-calibre co-investors which, we believe, augments purchasing power when pursuing acquisitions and provides an independent validation of our investment thesis.

We believe that this unique combination of private equity and public market disciplines allows the team to effectively unlock difficult-to-acquire assets with embedded value and identify synergistic M&A opportunities to drive value for investors across market cycles. We believe our active value investment approach is differentiated through our relationship with management teams and our experience and successful track record of extracting value in the public market environment with an event-driven approach.

We have historically managed a concentrated portfolio of up to 10 holdings with a target hold period of around five years.

How we invest

When evaluating opportunities, we seek to understand (i) the major drivers for the sector (both positive and negative), (ii) the assets under consideration for acquisition and (iii) how our buy-and-build strategy will improve value creation. Our review of a sector typically begins with discussions with potential management teams, including their investment thesis for the sector, with this information being cross referenced in meetings with companies across the sector for general information purposes.

Our process of canvassing specific industries has historically been robust, often taking longer than six months working with management. We aim to avoid competitive auction processes with over 90% of deals to date completed outside of the competitive process.

We have developed a methodical approach to sourcing, executing and exiting investments, using the following process:

- Partner with experienced industry-leading management teams;
- Alongside management, focus on fragmented sectors which can benefit from consolidation or sectors where structural and/or regulatory change is driving a shift in value;
- Actively support the development of each business; and
- Exit investments at an attractive multiple to original invested capital.

Performance

To 31 December 2016, the Company's Portfolio Companies (both current and exited investments) have together delivered an average equity IRR to all investors (including third party investors) of 16.7% on a total of approximately £2.7 billion of invested equity.

For the year ended 31 December 2016, the NAV per ordinary share decreased by (11.91)%, representing a (6.86)% total return assuming dividend reinvestment, compared with an increase in value of the FTSE All-Share of 16.75% over the same period. As noted in the Performance Summary on page 2, the reduction in NAV per ordinary share over the period is primarily attributable to a decline in the share price of Zegona Communications plc and fair value of Le Chameau Group plc partially offset by a rise in the share price of BCA Marketplace plc. We are committed to sourcing the right investments which fit our overall strategy and which we expect will provide significant returns to our shareholders. While these opportunities are being identified, the capital raised in December 2015 has not been fully deployed, which has further impacted on the return for the period. Over the long term, however, we are confident that our strategy and diligent approach to investing will be beneficial to the Company's investors, with two new management platforms being added to our portfolio in September 2016 and March 2017 as noted below.

Investments

We believe that the Company remains a compelling investment opportunity, providing investors with access to exceptional management talent in growing businesses alongside a clearly defined and disciplined distribution policy.

We believe that the current Portfolio Companies offer a significant potential for growth. BCA Marketplace plc continues to expand, having announced the acquisition of Paragon Automotive in July 2016 for an Enterprise Value of £105 million, Zegona Communications plc is well positioned to take advantage of further consolidation opportunities of Spanish regional cable operators, and Gloo Networks plc continues to progress potential acquisition targets. Le Chameau, the operating business under Le Chameau Group plc, has consolidated manufacturing operations in the period, alongside progressing a number of strategic initiatives, including the delisting of the group from the AIM market of the London Stock Exchange. We are confident in achieving the benefits from Le Chameau's operational turnaround and the significant sales potential of a well known and trusted brand.

We are encouraged by the high calibre management teams with proven track records being attracted to partner with us. We are confident that the addition of the two new Portfolio Companies, Safe Harbour Holdings plc and Wilmcote Holdings plc, enhances the shareholder opportunity for strong growth of value.

Given the early-stage of the current portfolio, we are confident that further opportunities to invest in the current portfolio exist as they complete platform acquisitions or continue to execute their management strategies. It is also anticipated that the underlying portfolio will grow from six (including the investment in Safe Harbour, and post year end, Wilmcote) to seven or eight companies, providing further opportunities to deploy cash.

Allocation of Marwyn Value Investors Limited NAV by company

Based upon the Company's investments in the Master Fund (directly) and the Second Master Fund (indirectly), the Company's total NAV is broken down across the following as at 31 December 2016:

Equity investments

Company	Ticker	Sector	% of NAV
Zegona Communications plc	ZEG LN	European TMT	35.95%
BCA Marketplace plc	BCA LN	Automotive	22.93%
Gloo Networks plc	GLOO LN	Media	5.95%
Le Chameau Group plc		Luxury Goods	6.54%
Safe Harbour Holdings plc		B2B Distribution	5.87%
Cash			34.41%
Le Chameau Group debt instrument			3.46%
Other assets of the Master Fund			0.40%
Liabilities of the Master Fund			(15.51)%
Net assets			100.00%

Allocation of NAV by company at 24 March 2017

Since 31 December 2016, the Manager authorised a subscription for £10 million of new ordinary shares in Wilmcote Holdings plc, on 21 March 2017, to provide due diligence and operating capital prior to a subsequent acquisition. Based upon the Company's indirect investments in the Portfolio Companies through its interest in the Master Fund (directly) and the Second Master Fund (indirectly), the allocation of the Company's total NAV is broken down across the following as at 24 March 2017 is shown in the table below:

Equity investments

Company	Ticker	Sector	% of NAV
Zegona Communications plc	ZEG LN	European TMT	38.47%
BCA Marketplace plc	BCA LN	Automotive	21.84%
Gloo Networks plc	GLOO LN	Media	5.82%
Le Chameau Holdings plc		Luxury Goods	6.39%
Safe Harbour Holdings plc		B2B Distribution	5.74%
Wilmcote Holdings plc		Downstream & Specialty Chemicals	5.72%
Cash			25.70%
Le Chameau Group debt instrument			5.29%
Other assets of the Master Fund			0.11%
Liabilities of the Master Fund			(15.08)%
Net assets			100.00%

INVESTMENTS

Company:	Zegona Communications plc ("Zegona")
Sector:	TMT
Listing:	LSE Main Market
Ticker:	ZEG-LN
Website:	www.zegona.com
% ownership:	25.81% (as at 31-Dec-16)
Average entry price per share:	141.26p
Share price:	121.00p (as at 31-Dec-16)
Year of initial investment:	2015
Share classes attributable to:	Ordinary and Realisation

Zegona is an acquisition vehicle formed by Eamonn O'Hare (Chairman and CEO) and Robert Samuelson (COO) with our support and that of other leading investors to acquire businesses with an enterprise value of between £1 billion and £3 billion in the European TMT sector.

On 14 August 2015, Zegona acquired Telecable de Asturias S.A ("Telecable") from The Carlyle Group the leading "quad-play" telecommunications operator in Asturias, North West Spain, for an enterprise value of €640 million.

Telecable offers television, broadband internet, mobile and fixed-line telecommunications services to c.158,000 residential and business customers.

Mark Brangstrup Watts is a non-executive director of Zegona as well as being a non-executive director of the Manager and a managing partner of the Investment Adviser.

Zegona strategy:

Zegona has been established to execute a 'Buy-Fix-Sell' strategy in the European TMT sector, focusing on network-based communications and entertainment opportunities. Zegona's investments will target strategically sound businesses that require active change to realise full value, creating significant long-term returns through fundamental business improvements. Zegona's strategic objective is to create a concentrated portfolio of sizeable assets with enterprise values in the range of £1 billion to £3 billion. Zegona's directors believe the current dynamics of the European TMT sector, with the rapid growth of data consumption, convergence of services and consolidation of operators, will create multiple investment opportunities and the potential to realise attractive returns.

Progress over the period:

On 14 January 2016, Moody's assigned Telecable a rating of B1, the highest rating of any European TMT company of its size, which was reaffirmed on 1 March 2017.

Following press speculation, Zegona announced in March 2016 that it was in discussions regarding a potential acquisition of Yoigo from its owners TeliaSonera and as a result Zegona's shares were temporarily suspended from trading on the Official List of the LSE. However in June the company subsequently announced that it had ceased discussions after another bidder had offered a price above the level that Zegona believed to be viable and therefore the shares were subsequently restored to the Official List.

In August 2016, an additional 3,941,901 ordinary shares of Zegona were acquired, increasing the Master Fund's beneficial ownership to 25.8% of the issued share capital as at that date.

On 7 September 2016, Zegona announced half year results to June 2016 for Telecable, with its strong performance driven by progress in the business and mobile segments and a consumer price rise. Financial highlights included revenue of €69.2m (+ 4.4%), EBITDA of €33.3m (+1.9%) and cash flow (defined as EBITDA minus Capex) of €20.4m (+10.6%).

Zegona paid a 2016 dividend of 4.5p per share in two equal instalments in October 2016 and March 2017. Excess cash will be used to fund further attractive M&A opportunities, or otherwise returned to shareholders by way of special dividends or share buy-backs.

In November 2016, Zegona announced that Telecable had entered into a new mobile access agreement with Telefonica in Spain which will replace the current arrangement with Vodafone. The long-term agreement provides access to Telefonica's full range of mobile technologies, including 4G data services, on highly attractive terms which positions the business well to accelerate growth and drive greater convergence.

In February 2017, Zegona announced that Ashley Martin was to join the board as an independent non-executive director, Chairman of the Audit & Risk Committee and a member of the Nomination & Remuneration Committee.

On 15 March 2017, Zegona announced that they are in talks with Euskaltel, S.A. the Spanish telecommunications company concerning a possible transaction to acquire Telecable although there is no certainty these discussions will lead to a transaction being concluded.

On 6 April 2017, Zegona released their results for the year ended December 2016. Telecable delivered results in line with market expectations, with financial highlights being Revenue of €138.5m (+3.0%), EBITDA of €65.1m (+0.2%) and Cash Flow of €39.6 (+9.7%). A 5.0p per share dividend policy for 2017 was confirmed.

Performance:

During the twelve month period to 31 December 2016, Zegona's share price decreased from 135.5p at 31 December 2015 to 121.0p, a decrease of 10.7%.

Company:	BCA Marketplace plc ("BCAM plc")
Sector:	Automotive
Listing:	LSE Main Market
Ticker:	BCA-LN
Website:	www.bcamarketplaceplc.com
% ownership:	2.68% (as at 31-Dec-16)
Average entry price per share:	144.99p (as at 31-Dec-16)
Share price:	186.50p (as at 31-Dec-16)
Year of initial investment:	2014
Share classes attributable to:	Ordinary and Realisation

BCAM plc (formerly Haversham Holdings plc) is a group formed by Avril Palmer–Baunack (Executive Chairman) and Marwyn.

BCAM plc owns and operates Europe's largest used vehicle marketplace, providing vehicle remarketing and/or vehicle buying services across the UK and nine other countries in Europe.

BCAM plc's management team has considerable experience and extensive relationships within the European automotive market capable of taking full advantage of the opportunities that they expect will be created by the ongoing changes in the European automotive market.

Mark Brangstrup Watts and James Corsellis are non-executive directors of BCAM plc as well as being non-executive directors of the Manager and managing partners in the Investment Adviser.

BCAM plc strategy:

The directors are seeking to maintain and strengthen BCAM plc's position as the operator of Europe's largest used vehicle marketplace, as well as broadening their range of services to the UK and European automotive sector. To achieve this goal, BCAM plc will focus on achieving volume growth, increasing the range and penetration of its value-added services and improving efficiency.

Progress over the period:

On 28 June 2016, BCAM plc released its Preliminary Results for the 15 months ended 3 April 2016, reflecting 12 months of trading following the acquisition of the BCA Group.

The business continued to perform strongly, reporting £1,153.1 million of revenue and £98.5 million of adjusted EBITDA. The business sold 1.1 million vehicles during the period, reporting volume growth of 7.9%

in UK Vehicle Remarketing, 6.4% in International Vehicle Remarketing and 15.4% in Vehicle Buying (WeBuyAnyCar.com).

BCAM plc also announced the appointment of a new non-executive director, David Lis, with effect from 28 June 2016 to further strengthen the Board.

On 19 July 2016, BCAM plc announced the acquisition of Paragon Automotive. Paragon is a leading UK operator in the provision of outsourced vehicle services for automotive manufacturers and major fleet operators, including rental, leasing and corporate fleets.

In November 2016, BCAM plc announced their half year results for the six months ending 2 October 2016. BCAM plc continued to demonstrate strong performance, with significant growth in all key areas, underpinned by volume growth in core divisions and the development of long term customer relationships.

Over the year, an additional 6.8 million ordinary shares of BCAM plc were acquired, increasing the Master Fund's beneficial ownership to 2.68% of the issued share capital as at that date.

On 6 February 2017, BCAM announced that it has agreed a £500 million multi-currency financing including a £250 million term loan and £250 million revolving credit facility, replacing the existing the £275 million term loan and £100 million revolving facility.

Performance:

During the twelve month period to December 2016, BCAM plc's share price increased from 172.75p at 31 December 2015 to 186.5p, an increase of 8.12%.

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Company:	Le Chameau Group plc (formerly Marwyn Management Partners plc) ("LCG")
Sector:	Luxury Goods
Listing:	Unquoted
% ownership:	93.3% (as at 31-Dec-16)
Share price:	1.58p (as at 31-Dec-16)
Year of initial investment:	2011
Share classes attributable to:	Ordinary and Realisation

LCG is the majority shareholder in Le Chameau, the French premium rubber boot company. The Master Fund is LCG's largest shareholder with a 93.3% stake.

Le Chameau is considered well placed to capitalise on its unique 85 year heritage and become a premium brand leader for boots and accessories in the active lifestyle market. The business continues to make considerable progress with respect to product development, manufacturing, distribution and marketing with a number of potential growth opportunities.

Mark Brangstrup Watts and James Corsellis are directors of LCG as well as being non-executive directors of the Manager and managing partners of the Investment Advisor. Robert Ware, the Chairman of the Company, is also the Chairman of LCG.

LCG Strategy:

LCG's focus is on the luxury goods business, Le Chameau, where it believes there is an opportunity to develop the business into a premium goods brand, built upon its unique heritage and the quality of its handmade products

Progress over the period:

In April 2016, the Master Fund entered into a £4.7 million (€6 million) loan facility agreement with LCG in order to fund the consolidation of Le Chameau's manufacturing operations. Production of boots has continued at the Company's existing site in Morocco, which has been operational since 1949.

Over the course of 2016, the facility was increased to a total of £7.4 million of which £5.7 million was drawn down as at 31 December 2016. In February 2017, the facility was extended by a further £2.5 million (to fund working capital and support growth initiatives in the business).

On 28 April 2016, LCG released its results for the year to 31 December 2015. Revenue for LCG's sole operating subsidiary, Le Chameau, was £14.4 million. The Chairman stated: "In 2016, we are hopeful of seeing the benefits of Le Chameau operating with a single-site production facility in Morocco, an internalised distribution model, a fully aligned IT system, a compelling new product range and an e-commerce platform."

On 14 July 2016, LCG announced that it was seeking shareholder approval for it to delist from AIM. A General Meeting held on 10 August 2016 duly approved the cancellation of its shares. LCG's ordinary shares were delisted from AIM on 18 August 2016.

The LCG Board determined that in light of the organisational changes and economic backdrop which had led to the delayed growth of Le Chameau, the rationale for remaining as a publicly quoted company had been significantly undermined to the extent that it was no longer in the best interests of LCG or its shareholders to maintain admission to trading on AIM. The LCG Board believes that greater shareholder value will be derived by operating the LCG business as a private company for the immediate future.

Performance:

During the twelve month period to 31 December 2016, LCG's value per share fell from 2.75p at 31 December 2015 to 1.58p, a decrease of 43.0%.

Company:	Gloo Networks plc ("Gloo")
Sector:	Media
Listing:	LSE AIM
Ticker:	GLOO LN
Website:	www.gloonetworks.com
% ownership:	34.90% (as at 31-Dec-16)
Average entry price per share:	£1.20
Share price:	113.50p (as at 31-Dec-16)
Year of initial investment:	2015
Share classes attributable to:	Ordinary and Realisation

Gloo is a digital transformation company established to acquire and develop trusted brands.

At a time of industry convergence, Gloo intends to marry content creation, sophisticated technology and data analytics to unlock value for shareholders and consumers.

Gloo was admitted to trading on the AIM market of the London Stock Exchange on 11 August 2015. Gloo successfully raised £30 million with the support of leading institutional investors, funding general working capital and due diligence on potential target acquisitions.

Gloo strategy:
Gloo Networks will look to capture audiences at scale, in association with sophisticated data mining and analysis capabilities, to connect highly targeted (and consequently highly valuable) consumers and brands. It intends to use data and technology to change business models, accelerate digital transformation and to ultimately unlock value and increase profitability.

Gloo intends to acquire and run businesses initially with an enterprise value in the range of £250 million to £1 billion and is led by digital transformation experts Rebecca Miskin (Chief Executive Officer), Bill Davis (Chief Financial Officer), Juan Lopez-Valcarcel (Chief Product and Operations Officer) and Arnaud de Puyfontaine (Non-Executive Chairman).

Mark Brangstrup Watts and James Corsellis are directors of Gloo, as well as non-executive directors of the Manager and managing partners of the Investment Advisor.

Progress over the period:
On 1 June 2016, Gloo announced its results for the period from incorporation to 31 March 2016, recording an after-tax loss of £2.7 million, reflecting operational and due diligence costs incurred in the pursuit of its platform acquisition.

On 20 June 2016, Gloo announced the appointment of Bill Davis as CFO, effective from 1 July 2016.

On 11 November 2016, Gloo announced its interim results for the six months ended 30 September 2016, detailing an after-tax loss of £1.6 million, reflecting operating expenses and due diligence costs in the continued pursuit of its stated investment strategy progressing various acquisition opportunities. As at 30 September 2016, Gloo held over £25.6 million in cash.

Performance:
During the twelve month period to 31 December 2016, Gloo's share price decreased from 126.0p at 31 December 2015 to 113.5p, a decrease of 9.9%.

Company:	Safe Harbour Holdings plc ("Safe Harbour")
Sector:	B2B Distribution
Listing:	Unquoted
% ownership:	100% (as at 31-Dec-16)
Share price:	120.00p (as at 31-Dec-16)
Year of initial investment:	2016
Share classes attributable to:	Ordinary and Realisation

Safe Harbour was initially formed as Marwyn Specilaty Chemicals plc, the initial investment into which was announced by the Company on 30 September 2016.

Safe Harbour is an unquoted company focused on creating value through the acquisition and subsequent development of industrial distribution businesses.

Safe Harbour intends to acquire and operate businesses initially with an enterprise value in the range of £250 million to £1.5 billion.

The initial capital raise of £10 million provides Safe Harbour with due diligence and operating capital prior to an initial acquisition. Safe Harbour intends to seek a public quotation or listing either before or at the time of completing its initial platform acquisition.

James Corsellis and Mark Brangstrup Watts are both directors of Safe Harbour, along with being directors of the Manager and managing partners of the Investment Adviser.

Company:	Wilmcote Holdings plc ("Wilmcote")
Sector:	Downstream and Specialty Chemicals
Listing:	Unquoted
% ownership:	100% (as at 21-Mar-17)
Share price:	120.00p (as at 21-Mar-17)
Year of initial investment:	2017
Share classes attributable to:	Ordinary

Wilmcote is an unquoted company focused on creating value through the acquisition and subsequent development of businesses in the downstream and specialty chemical sectors, with a target platform enterprise value of £500 million to £2 billion.

The initial capital raise of £10 million in March 2017 provides Wilmcote with due diligence and operating capital prior to seeking a public quotation or listing either before or at the time of completing its platform acquisition.

James Corsellis and Mark Brangstrup Watts are both directors of Wilmcote, along with being directors of the Manager and managing partners of the Investment Adviser.

Wilmcote has been established in partnership with Adrian Whitfield, who has been appointed as its Chief Executive Officer. Adrian is an experienced executive who recently spent nine years successfully implementing a turnaround and growth strategy at Synthomer plc, the UK listed (FTSE-250) specialty polymer operator. Over Adrian's nine year tenure, he more than doubled operating profits and increased Synthomer's market capitalisation from c.£300 million to over £800 million. Synthomer (formerly known as Yule Catto & Co.) is a global manufacturer of specialty polymers for the coatings, construction, textiles, paper and healthcare industries.

MARWYN VALUE INVESTORS LIMITED
REPORT OF THE DIRECTORS

The directors submit their Annual Report and the audited financial statements for the year ended 31 December 2016.

Directors and their interests

The directors of the Company who served during the year and subsequent to the date of this report were:

Robert Ware
Ronald Hobbs
Louisa Bonney
Martin Adams

Robert Ware (Non-Executive Chairman)
Committee membership:
Audit Committee – Member
Nomination Committee – Chairman
Remuneration Committee - Member

Length of service: 11 years
Date of appointment: 3 October 2006
Last re-elected to the Board: 5 September 2016 at the Annual General Meeting

Robert served first as corporate development director and then as deputy chief executive of MEPC between June 1997 and June 2003. MEPC was the fourth largest property company quoted on the LSE until September 2000, when Leconport Estates, a company jointly owned by clients of Hermes Pensions Management Limited and GE Real Estate, took the company private. During his tenure at MEPC, Robert and the team realised over £6 billion of international properties and invested over £2 billion, mainly in the UK. Prior to joining MEPC, Robert served as a director of Development Securities plc between 1988 and 1994.

Robert is currently chief executive officer of The Conygar Investment Company PLC, an AIM quoted property investment and development company formed in 2003 by Robert and members of the ex-MEPC team. Robert is also the Chairman of the Terra Catalyst Fund, Le Chameau Group plc and a non-executive director at Tarsus Group plc.

Whilst the Company is not required to comply with the UK Corporate Governance Code, in recognition of Robert's long tenure on the Board, Robert will stand for re-election at each Annual General Meeting of the Company.

Ronald Hobbs (Non-Executive Director)
Committee membership:
Audit Committee – Chairman
Nomination Committee – Member
Remuneration Committee - Member

Length of service: 3 years
Date of appointment: 2 January 2014
Last re-elected to the Board: 17 September 2014 at the Annual General Meeting

Ronald Hobbs, a qualified accountant, has over 25 years of private equity experience, having been managing director and senior partner with UBS AG, London and Paris in their European Private Equity Division as well as Vice President at Citicorp Venture Capital, London. Since 2009, Ronald has been a partner in Monceau Capital, a privately owned turn-around fund focused on under-performing activities in France.

Ronald will stand for re-election at the forthcoming Annual General Meeting of the Company.

Louisa Bonney (Non-Executive Director)
Committee membership:
Audit Committee – Member
Nomination Committee – Member
Remuneration Committee - Member

Length of service: 3 years
Date of appointment: 2 January 2014
Last re-elected to the Board: 5 September 2016 at the Annual General Meeting

Louisa Bonney qualified as a chartered accountant with Ernst & Young and has worked in the finance industry in Jersey for over 18 years. Her experience includes working with large multi-jurisdictional structures with private equity, real estate and private wealth. Louisa is the managing director of Axio Capital Solutions Limited ("Axio"), a provider of fund and corporate administration services in Jersey, which is the Company's administrator.

Louisa is also an executive director of the Manager as well as a non-executive director of Marwyn Capital Limited, Marwyn Capital Management Limited (the previous manager), Marwyn General Partner Limited (the general partner of the Master Fund), Marwyn General Partner II Limited (the general partner of the Second Master Fund) and other Marwyn group companies.

Martin Adams (Non-Executive Director)
Committee membership:
Audit Committee – Member
Nomination Committee – Member
Remuneration Committee - Chairman

Length of service: 2 years
Date of appointment: 8 May 2015
Last re-elected to the Board: 3 November 2015 at the Annual General Meeting

Martin is the founder and Managing Director of Vietnam Fund Management Company group (VFMC), which previously managed The Vietnam Fund Limited – the first institutional private equity fund to specialise in Vietnam – and Beta Viet Nam Fund Limited. Martin is also currently the Chairman of Kubera Cross-Border Fund Limited, Eastern European Property Fund Limited, Trading Emissions plc and Trinity Capital plc and is a non-executive director of Aberdeen Latin American Income Fund Limited, Metage Funds Limited, Terra Catalyst Fund, Vietnam Phoenix Fund Limited and VinaCapital Vietnam Opportunity Fund Limited. Prior to establishing VFMC, Martin worked for the Lloyds Bank Group in the United Kingdom, the Netherlands, Portugal and Hong Kong.

Directors' interests

The directors' interests in the Ordinary Shares of the Company were as follows as at 31 December 2016 and 31 December 2015 and to the date of approval of these financial statements.

	Ordinary Shares 2016	Ordinary Shares 2015
Robert Ware	500,000	474,999
Ronald Hobbs	139,329	Nil
Louisa Bonney	Nil	Nil
Martin Adams	40,000	40,000

The directors' interests in the Realisation Shares of the Company were nil as at 31 December 2016 and to the date of the approval of these financial statements.

The Board has put in place significant measures to ensure that the EU Market Abuse Regulation ("MAR"), which took effect across the EU on 3 July 2016, is adhered to.

Status and activities

Marwyn Value Investors Limited is a closed-ended investment company registered by way of continuation in the Cayman Islands (registered number MC-228005). The rights of shareholders are governed by Cayman law and the Company's Articles of Association ("Articles"). These rights may differ from the rights and duties owed to shareholders in a UK incorporated company.

The Company was admitted to trading as a closed-ended investment company on the SFS on 8 December 2008.

The investment objective is to maximise total returns, primarily through the capital appreciation of its investment in the Master Fund. The Master Fund was launched in March 2006. It is an open-ended fund domiciled in the Cayman Islands. The Second Master Fund was launched in December 2015. It is an expert-fund pursuant to the Jersey Funds Law and the Expert Fund Guide and domiciled in Jersey, Channel Islands.

The investment policy allows follow-on investment in existing Portfolio Companies and, only in so far as it relates to the ordinary shares, permits investment in new portfolio companies. As detailed in the Report of the Manager, during the year and after the year end, new investments in Safe Harbour and Wilmcote and follow-on investments in BCAM, Zegona, and LCG have been made.

A review of the performance of, and the outlook for, the portfolio is provided in the Report of the Manager.

An analysis of the Company's exposure to financial risk and the policies adopted in its efforts to mitigate such risks are disclosed in Note 14 to the financial statements.

Results

The results attributable to the shareholders for the year are shown in the Statement of Comprehensive Income.

Share capital

As at 31 December 2016, the Company had 70,771,826 ordinary shares in issue (31 December 2015: 79,292,032) and 8,520,206 realisation shares in issue (2015: None in issue). The Company has made no acquisitions of its own shares during the year.

Capital Returns and dividends

As detailed in the Report of the Chairman, pursuant to the revised progressive distribution policy adopted in December 2015, for holders of ordinary shares, in January 2016, a special distribution of 2p per ordinary share was made along with quarterly interim dividends of 2.064p per ordinary share made in January, April, July and October 2016. It is the intention that minimum payments will continue to be made on an ongoing basis in January, April, July and October of each year.

Directors' remuneration

The emoluments of the individual directors for the year were as follows:

	2016 £	2015 £
Robert Ware	45,000	45,000
Ronald Hobbs	40,000	40,000
Louisa Bonney*	40,000	40,000
Martin Adams	40,000	25,854
Paul Everitt	Nil	34.210
	165,000	185,064

*Payable to the administrator

Directors' fees are paid directly from the Master Fund. The above fees do not include reimbursed expenditure.

Fund Manager

The Manager is entitled to a management fee, payable by the Company in arrears, equal to 1/12th of 2% per month of the NAV from the Company where such investment is not in the Master Fund. As the Company's investments are all through the Master Fund, the Company does not pay a management fee to the Manager.

The Manager receives a management fee from the Master Fund, payable in arrears, equal to 1/12th of 2% of the net asset value before incentive allocations in respect of Class F, Class G, Class R(F)1 and Class R(G)1 interests of the Master Fund into which the Company invests. If the realisation pool remains in existence after 2 years, the management fee will be calculated by reference to net asset value before management and performance fees less the aggregate value of cash and near cash investments attributable to the realisation share interests. The Manager may, at its discretion, pay from the management fee to any person to which it has delegated any of the functions it is permitted to delegate such as the Investment Adviser. MUFG Alternative Fund Services (Ireland) Limited, the administrator to the Master Fund, calculates the management fee payable to the Manager by the Master Fund. The Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties. No management fees or incentive allocation are currently payable by the Second Master Fund.

As detailed in Note 15 to the financial statements, incentive allocations are payable by the Master Fund in respect of interests F, Class G, Class R(F)1 and Class R(G)1 into which the Company invests.

As required by Article 16.3.5 of the Codes, the remuneration paid by the Manager to its staff during the year ended 31 December 2016 and 31 December 2015 is set out below. The Manager was incorporated on 13 June 2013 and was appointed to the Company on 29 November 2013.

Total remuneration paid to staff:	For the year ended 31 December 2016 £	For the year ended 31 December 2015 £
Fixed remuneration of the staff of MAML	53,629	53,333
Number of beneficiaries	7	6

Total remuneration of directors involved in activities of the Company:	For the year ended 31 December 2016 £	For the year ended 31 December 2015 £
Fixed remuneration of staff involved in the activities of the Company	53,629	53,333
Number of beneficiaries	7	6

The amount paid in fixed remuneration relates to directors fees and the salary costs of staff in relation to compliance, portfolio and risk management and marketing services. These are contractually agreed payments and are paid regardless of the Company's performance.

Proportion of time spent on the Company:	For the year ended 31 December 2016 %	For the year ended 31 December 2015 %
Proportion of time spent by the Manager specifically relating to the Company	35	36

The estimated allocation of time has been derived by considering the total number of hours spent by all directors and staff of the Manager and estimating, by individual, the number of hours spent specifically in relation to the Company of the total time spent across all funds managed. An overall percentage has been calculated based on hours spent on the Company divided by total hours worked.

Incentive allocation

The incentive allocations are payable on returns generated by the Master Fund and is deducted from the Gross Asset Value of the Master Fund in deriving the Net Asset Value. The Net Asset Value is used to calculate the value of the Company's holding in the Master Fund.

The incentive allocations to be borne by the Class F, Class G, Class R(F)1 and Class R(G)1 interests in the Master Fund will only be payable on returns being made.

During the year ended 31 December 2016, the total uncrystallised incentive allocations relating to the ordinary and realisation shares decreased by £2,530,876 (for the equivalent period to 31 December 2015, the decrease was £6,687,890). The total incentive allocation accrued as at 31 December 2016 amounted to £24,008,264 (2015: £33,783,080). Three of the directors of the Manager are incentivised through the incentive allocation and are beneficially interested in investment advisory fee payable by the Master Fund.

Investors can assess remuneration and incentives by reference to the disclosure of the basis of calculation of the incentive allocations which was made in the Circular dated 19 October 2016 in relation to the Company's investment in Class F, Class R(F)1, Class G and Class R(G)1 interests of the Master Fund. These documents are available on the Company's website. Disclosure of the amount of investment advisory fee is contained in Note 15.

Substantial shareholdings

At 31 December 2016 the following interests in 3% or more of the issued ordinary shares had been notified to the Company.

	Number of ordinary shares	Percentage of ordinary share capital
Invesco Asset Management	31,671,415	44.75
Lazard Asset Management LLC	6,565,430	9.28
Gramercy Funds Management LLC	3,806,844	5.38
Insight Investment Management	3,802,046	5.37
Barclays Funds Investments Limited	3,409,090	4.82
Tortin Limited	2,278,303	3.22

At 31 December 2016 the following interests in 3% or more of the issued realisation shares had been notified to the Company.

	Number of realisation shares	Percentage of realisation share capital
Fidelity International Limited (FIL)	6,102,089	71.62
Third Point LLC	1,684,552	19.77
CG Asset Management	543,563	6.38

Future prospects

The Board continues to believe that there is long-term value in the Master Fund and the Second Master Fund, with the majority of underlying equity investments being early stage with significant potential follow-on investment opportunities. Additional details regarding these investments are contained in the Report of the Manager.

Auditors

The Audit Committee does not have any reason to believe that PricewaterhouseCoopers ("PwC") did not conduct an effective audit.

PwC has expressed its willingness to continue to act as auditor to the Company and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting. Audit fees for the year ended 31 December 2016 for the Company total £17,900. Non-audit fees paid to PwC for the Company for the same period totaled £5,380. All Company related expenses are paid by the Master Fund and allocated to the relevant Master Fund class interest as described in Note 3.8.

Annual General Meeting

The notice of the Annual General Meeting will be forwarded to shareholders under separate cover.

Corporate governance

As a company registered in the Cayman Islands and under the rules of the SFS, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council.

The directors however recognise the importance of maintaining sound corporate governance and so seek to ensure that the Company adopts policies and procedures which reflect those principles of good corporate governance as are appropriate to the Company's size. Full details are included in the latest Company prospectus available on the Company's website.

The Company is a member of the AIC and therefore the Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide").

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations that are of specific relevance to the Company.

The AIC Code together with the AIC Guide are available on the AIC's website (http://www.theaic.co.uk/).

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), provides better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below in this report.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board

The Chairman, Robert Ware, is not considered to be independent due to his having interests in, and having other directorships within, the Marwyn group. The Board does not consider it necessary to have an independent Chairman as it believes that Robert's high level and range of business knowledge, financial experience and integrity enables him to provide clear and effective leadership and, in conjunction with his fellow directors, proper stewardship of the Company.

Louisa Bonney is not considered to be independent due to her having interests in, and having other directorships within, the Marwyn group. Notwithstanding such interests, the Board believes Louisa's skills and her position within Marwyn are of benefit to the Board, and as such do not consider that it is necessary for her to be independent. Ronald Hobbs and Martin Adams are considered to be independent in terms of their respective directorships, however they have a beneficial interest in the Company as detailed on page 14.

Given the size and composition of the Board it is not currently felt necessary to appoint a senior independent director however this position is reviewed on an annual basis by the Nomination Committee.

The Board has adopted a policy on tenure which requires the Nomination Committee to annually consider the appropriateness of the tenure of the Chairman and each director. One-third, or the nearest number to one-third, of the directors shall retire and offer themselves for re-appointment at each annual general meeting in accordance with the Articles. Each director is required to offer themselves for re-election at least every three years. As mentioned on page 13, given Robert Ware's tenure on the board, he will retire and offer himself for re-election at each Annual General Meeting of the Company. Ronald Hobbs will also offer himself for re-election at the forthcoming Annual General Meeting of the Company.

The Chairman regularly meets with representatives of the Manager and is in regular communication with his fellow directors. In addition, the Board maintains open and frequent communication with the Manager and the administrator throughout the year so that any ad hoc items for the Board's consideration are able to be considered in a timely manner by all members of the Board.

The Board has engaged external companies to undertake the investment management and administrative activities of the Company.

These services are undertaken in accordance with clear documented contractual arrangements between the Company and the relevant firm, and also define the areas where the Board has delegated responsibility to them. These relationships are reviewed on a regular basis to ensure their continued competitiveness and effectiveness.

The Board normally meets on a quarterly basis to consider among other things, the investment performance and associated matters such as marketing and investor relations, risk and portfolio management, the suitability of the investment policy, performance of the share price as well as NAV performance and any discount between the share price and the NAV, the shareholder profile of the Company and the performance and cost of service providers, to ensure control is maintained over the Company's affairs.

During the financial year ended 31 December 2016, the Board met a total of six times during the year, of which two meetings were ad hoc with four formal quarterly meetings held. In addition, the Audit Committee, the Nomination Committee and the Remuneration Committee each met twice.

Attendance record:

The number held has been shown for each individual to reflect the number of meetings held over the year or since the date of their appointment.

	Formal Board Meetings		Audit Committee		Nomination Committee		Remuneration Committee	
Director:	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Robert Ware	6	6	2	2	2	2	2	2
Louisa Bonney	6	6	2	2	2	2	2	2
Ronald Hobbs	6	6	2	2	2	2	2	2
Martin Adams	6	6	2	2	2	2	2	2

Board committees

The Company uses a number of committees to control its operations. Each committee has formal written terms of reference, which clearly define their responsibilities. The terms of reference are available to access on the Company's website www.marwynvalue.com.

Audit Committee

The Audit Committee comprises of all the directors of the Company and meets at least twice a year. Ronald Hobbs is Chairman of the Audit Committee. The terms of reference of the Audit Committee are reviewed and reassessed for their adequacy on an annual basis. The Audit Committee provides a forum through which the Company's auditor has access to and can report to the Board.

The Company's auditors provide certain tax services to the Company however audit independence regulations do not currently restrict the services which are provided under the terms of the separate engagement entered into.

The Audit Committee performs the following functions:

- selection of the statutory auditor and making recommendations relating to the appointment of the statutory auditor to the Board;
- monitoring the financial reporting process and submitting recommendations or proposals to the board in order to ensure the integrity of that process;
- monitoring the statutory audit of the Company's annual financial statements and the performance of the Company's auditors, taking into account any findings and conclusions by the Financial Reporting Council under article 26 (6) of Regulation 538/2014 (the "Audit Regulation");
- reviewing and monitoring auditor independence in accordance with paragraphs 2(3), 2(4), 3 to 8 and 10 to 12 of Schedule 1 to the Statutory Auditors and Third Country Auditors Regulations 2016 (SI 2016/649) and article 6 of the Audit Regulation, and in particular the appropriateness of the provision of non-audit services to the issuer in accordance with article 5 of the Audit Regulation; and
- informing the Board of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of the financial reporting process what role the Audit Committee played in that process.

Nomination Committee

The Nomination Committee comprises of all the directors of the Company and meets at least twice a year. Robert Ware is Chairman of the Nomination Committee. The terms of reference of the Nomination Committee are reviewed and reassessed for their adequacy on an annual basis. Members of the Nomination Committee do not participate in the review of their own position, and further, Robert Ware will not chair a meeting of the Nomination Committee when it is dealing with the matter of succession to the chairmanship of the Board.

The function of the Nomination Committee is to consider the appointment and re-appointment of directors. When considering the appointment and re-appointment of directors, the Nomination Committee and the Board consider whether the Board and its committees have a balance of skills, experience, length of service, knowledge of the Company, its diversity, how the Board works together and any other factors relevant to the effectiveness of the Board including if the director or candidate being reviewed has sufficient time to devote to the Company to carry out their duties effectively.

The Board and the Nomination Committee does not take into account the gender of a director or candidate as they do not believe it affects a director's performance.

The Board also believes that due to the specialist nature of the Company it is not appropriate at this time to use an external search consultancy or open advertising. This position is reviewed by the Board prior to any new appointments.

Formal induction training is not given to new directors. However all new directors meet with the Chairman, and any members of the Nomination Committee as applicable, prior to appointment in order to discuss the Company, the Manager, the responsibilities of a director of the Company and investment company industry matters.

Any new directors will meet with the full Board at the earliest opportunity following their appointment. In addition, all directors have full access to the administrator and the Manager.

All directors are re-elected at the next Annual General Meeting following their appointment and thereafter retire by rotation (with one third of the directors being required to retire by rotation each year) subject also to the requirement that all directors are required to offer themselves for re-election at least every three years.

Remuneration Committee

The Remuneration Committee comprises of all the directors of the Company and meets at least twice a year. Martin Adams is Chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are reviewed and reassessed for their adequacy on an annual basis. Members of the Remuneration Committee do not participate in the review of their own remuneration.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development.

Management Engagement Committee

The Board considers its size to be such that it would be unnecessarily burdensome to establish a separate management engagement committee. The review of the performance of, and contractual arrangements with, the Manager is undertaken by the Board. However only directors independent of the Manager are involved with this review.

Relations with shareholders

The directors are always available for communication with shareholders and all shareholders have the opportunity, and are encouraged, to attend and vote at the Annual General Meetings of the Company during which the Board and the Manager will be available to discuss issues affecting the Company. The Board is regularly informed of shareholders' views via regular updates from the Manager and Broker as to meetings and other communications they may have had with shareholders.

Statement of going concern

Due to the Master Fund meeting the Company's expenses, the directors consider that there is no mismatch between the Company's assets and liabilities. For this reason, they continue to adopt a going concern basis in preparing the financial statements.

Internal control

The Board is responsible for establishing and maintaining the Company's system of internal quality control and risk management and reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the Company and the particular risks to which it is exposed.

The procedures are designed to manage rather than eliminate risk and by their nature can only 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:

- The duties of managing the investments and accounting are segregated
- MUFG Alternative Fund Services (Ireland) Limited, a company independent of the Manager and the Board, provide administrative and accounting services to the Master Fund
- Custodian services are provided by an independent party to the Master Fund and are segregated from the administrative and accounting services provided
- The Board reviews financial information produced by the Manager and Axio on a regular basis
- The Manager and Axio are regulated entities and are subject to an annual audit by an independent auditor. This is confirmed to the Board on an annual basis
- On an ongoing basis, compliance reports are provided at each quarterly board meeting by Axio
- Assets attributable to the realisation shares are segregated from those attributable to the ordinary shares

The Company does not have an internal audit function as all of the Company's management functions are delegated to third parties and it is therefore felt that there is no need for the Company to have an internal audit function.

The Audit Committee has reviewed the Company's risk management and control systems and believes that the controls are satisfactory given the nature and size of the Company.

Financial Risk Profile

The Company's financial instruments comprise investments, cash and various items such as payables and receivables that arise directly from the Company's operations. The main purpose of these instruments is the investment of shareholders' funds. The main risks are detailed in Note 14 to the financial statements and pages 38 to 41.

Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and to confirm that the Reports contained in these Financial Statements includes a fair review of the performance of the business and the position of the Company.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Cayman 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.

Each of the directors, whose names and functions are listed on page 13, confirms that, to the best of their knowledge:

- these financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Reports contained in these financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Robert Ware	Louisa Bonney
Chairman	Director
13 April 2017	13 April 2017

Independent auditors' report to the directors of Marwyn Value Investors Limited

Report on the financial statements

Our opinion

In our opinion, Marwyn Value Investors Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of cashflows for the year then ended;
- the Statement of changes in net assets attributable to equity holders of the Company for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's directors as a body for the audit of your financial statements for the year ended 31 December 2016 as required by the Company's governing documents agreement dated 19 November 2013, in accordance with our engagement letter dated 9 December 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 April 2017

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016 and 31 December 2015

	Notes	Year ended 31 December 2016 £			Year ended 31 December 2015 £		
INCOME		Revenue	Capital	Total	Revenue	Capital	Total
Finance income		183	-	183	189	-	189
Distribution income		9,592,921	-	9,592,921	-	-	-
Net loss on financial assets at fair value through profit or loss	7	-	(22,434,279)	(22,434,279)	12,344,204	(40,606,684)	(28,262,480)
TOTAL NET INCOME		9,593,104	(22,434,279)	(12,841,175)	12,344,393	(40,606,684)	(28,262,291)
EXPENSES							
Finance cost and bank charges		183	-	183	189	-	189
TOTAL OPERATING EXPENSES		183	-	183	189	-	189
PROFIT / (LOSS) FOR THE YEAR		9,592,921	(22,434,279)	(12,841,358)	12,344,204	(40,606,684)	(28,262,480)
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		9,592,921	(22,434,279)	(12,841,358)	12,344,204	(28,262,480)	(28,262,480)
RETURNS PER SHARE							
Attributable to holders of ordinary shares		9,592,921	(22,158,502)	(12,565,581)	12,344,204	(40,606,684)	(28,262,480)
Weighted average ordinary shares in issue for the year ended 31 December	12	78,570,375	78,570,375	78,570,375	79,292,032	79,292,032	79,292,032
Return per ordinary share - Basic and diluted		12.21p	(28.20)p	(15.99)p	15.57p	(51.21)p	(35.64)p
Attributable to holders of realisation shares		-	(275,777)	(275,777)	-	-	-
Weighted average realisation shares in issue for the year ended 31 December	12	721,657	721,657	721,657	-	-	-
Return per realisation share - Basic and diluted		-	(38.21)p	(38.21)p	-	-	-

Notes 1 to 19 on pages 26 to 37 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	31 December 2016 £	31 December 2015 £
NON CURRENT ASSETS			
Financial assets at fair value through profit or loss	7	167,204,231	189,638,510
CURRENT ASSETS			
Distribution receivable	10	1,460,730	-
Cash and cash equivalents	8	127,582	127,424
TOTAL ASSETS		168,792,543	189.765,934
CURRENT LIABILITIES			
Loan payable	9	(125,000)	(125,000)
Accruals		(2,582)	(2,424)
Dividend payable	10	(1,460,730)	-
TOTAL LIABILITIES		(1,588,312)	(127,424)
NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS		167,204,231	189,638,510
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	12	95	95
Share premium	12	85,906,903	85,906,903
Special distributable reserve	13	26,346,979	26,346,979
Exchange reserve	13	54,386	54,386
Capital reserve	13	46,759,205	69,193,484
Revenue reserve	13	8,136,663	8,136,663
TOTAL EQUITY		167,204,231	189,638,510

Net assets attributable to ordinary shares	149,104,006	189,638,510
Ordinary shares in issue at 31 December	70,771,826	79,292,032
Net assets per ordinary share	210.68p	239.16p
Net assets attributable to realisation shares	18,100,225	-
Realisation shares in issue at 31 December	8,520,206	-
Net assets per realisation share	212.44p	-

The financial statements on pages 22 to 37 were approved by the Board of Directors and authorised for issue on 13 April 2017. They were signed on its behalf by:

Robert Ware   Louisa Bonney

Notes 1 to 19 on pages 26 to 37 form an integral part of these financial statements.

MARWYN VALUE INVESTORS LIMITED
STATEMENT OF CASHFLOWS

For the year ended 31 December 2016

	Notes	31 December 2016 £	31 December 2015 £
Cash flows from operating activities			
Interest received		183	189
Bank charges paid		(25)	(25)
Cash received on partial redemption of Class F interests in the Master Fund	7	-	20,619,913
Cash paid on investment in Class G interests in the Master Fund	11	-	(48,445,658)
Distributions received on Class F and Class G interests in the Master Fund		8,132,191	-
Net cash flow from operating activities	11	8,132,349	(27,825,581)
Cash flows from financial activities			
Cash paid to ordinary shareholders on partial redemption of ordinary shares	12	-	(20,619,913)
Cash received on issue of ordinary shares	12	-	48,445,658
Dividends paid to ordinary shareholders		(8,132,191)	-
Net cash (flow) from financing activities		(8,132,191)	27,825,745
Net increase in cash and cash equivalents		158	164
Cash and cash equivalents at the beginning of the year		127,424	127,260
Cash and cash equivalents at the end of the year		127,582	127,424

Notes 1 to 19 on pages 26 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

For the year ended 31 December 2016

	Notes	Share capital £	Share premium £	Special distributable reserve £	Exchange reserve £	Capital reserve £	Revenue reserve £	Total £
Opening balance		95	85,906,903	26,346,979	54,386	69,193,484	8,136,633	189,638,510
Dividends paid to ordinary shareholders		-	-	-	-	-	(8,132,191)	(8,132,191)
Dividends payable to ordinary shareholders	10						(1,460,730)	(1,460,730)
Result for the year	7	-	-	-	-	(22,434,279)	9,592,921	(12,841,358)
Closing balance		95	85,906,903	26,349,979	54,386	46,759,205	8,136,633	167,204,231

For the year ended 31 December 2015

	Notes	Share capital £	Share premium £	Special distributable reserve £	Exchange reserve £	Capital reserve £	Revenue reserve £	Restated Total £
Restated opening balance		80	42,428,639	26,346,979	54,386	125,452,704	(4,207,541)	190,075,247
Redemption of ordinary shares		(8)	(4,967,371)	-	-	(15,652,536)	-	(20,619,915)
Redemption of B ordinary shares		23	48,445,635	-	-	-	-	48,445,658
Result for the year	7	-	-	-	-	(40,606,684)	12,344,204	(28,262,480)
Closing balance		95	85,906,903	26,346,979	54,386	69,193,484	8,136,663	189,638,510

Notes 1 to 19 on pages 26 to 37 form an integral part of these financial statements.

1. General information

The Company is a closed-ended investment fund registered by way of continuation in the Cayman Islands (registered number MC-228005). The rights of the shareholders are governed by Cayman law and may differ from the rights and duties owed to shareholders in a UK incorporated company. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

2. New standards and amendments to International Financial Reporting Standards

The following standards and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2016 have had no impact on the Company's financial position or results:

Standard	Effective Date
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 1 – Disclosure Initiative	1 January 2016
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27 – Equity Method in Separate Financial Statements	1 January 2016
Annual improvements (2012-2014)	1 January 2016
Amendments to IAS 16 and IAS 41 – Bearer plants	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception	1 January 2016

2.1 New standards, amendments and interpretations not yet effective

A number of new standards, amendments and interpretations are effective for annual periods beginning on or after 1 January 2017, and have not been early adopted in preparing these financial statements. The Company has considered the impact of these, and concluded that none of these are expected to have a significant effect on the financial position or results of the Company.

3. Summary of significant accounting policies

The principal accounting policies, which have been consistently applied in the preparation of these financial statements, are set out below.

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention on a going concern basis, as modified by the revaluation of financial assets at fair value through profit or loss.

3.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union together with the applicable legal and regulatory requirements of Cayman law.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Statement of Recommended Practice ("SORP") issued in November 2014 (as a replacement to its SORP issued in January 2009) by the Association of Investment Companies ("AIC") seeks to best reflect the activities of an investment company. Where the SORP contains recommendations applicable to the company and involving material balances, its recommendations have been incorporated in these financial statements.

These financial statements also comply with Section 3, Article 16 disclosure requirements of the Codes of Practice for Alternative Investment Funds and AIF Service Business issued by the Jersey Financial Services Commission (the "Codes").

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). In arriving at the functional currency the directors have considered the currency in which the original capital was raised, any distributions that may be made and ultimately the currency that the capital would be returned in on a break up basis.

The directors have also considered the currency to which the underlying investments are exposed. The directors are of the opinion that Sterling best represents the functional currency and therefore the financial statements are presented in Sterling.

(b) Transactions and balances

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'net (loss)/gain on financial assets at fair value through profit or loss'.

3.4 Financial assets at fair value through profit or loss

(a) Classification

The Company's investment in the Master Fund was designated by the Board of Directors at fair value through profit or loss at inception as it is not held for trading but is managed, and its performance evaluated, on a fair value basis, in accordance with the Company's documented investment strategy.

Changes in the fair value of investments held at fair value through profit or loss are recognised in the Statement of Comprehensive Income. On disposal, realised gains and losses are also recognised in the Statement of Comprehensive Income.

(b) Recognition, derecognition and measurement

The Company recognises unquoted investments held at fair value through profit or loss on the date it commits to purchase the instrument. Derecognition of investments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The amount that may be realised from the disposal of an investment in the Master Fund may differ from the values reflected in the financial statements.

(c) Fair value estimation

The Master Fund is unquoted and accordingly the fair value of the investment is determined based primarily on the Net Asset Value ("NAV") information provided by the administrator of the Master Fund. The NAV of the Master Fund is determined by the Master Fund Administrator by deducting the fair value of the liabilities of the Master Fund from the fair value of the Master Fund's assets.

3.5 Financial liabilities

The Company recognises a financial liability on assuming a financial obligation and derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Borrowings are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise bank balances held by the Company including short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates to their fair value.

3.7 Finance income

Interest income on cash deposits is accounted for on an accruals basis.

3.8 Expenditure

Pursuant to the "Amended and restated agreement relating to Class F, Class G and Class R interests in Marwyn Value Investors LP", the Master Fund is legally obliged to settle all expenses specifically attributable to the Company. The Manager does not receive a management fee or incentive allocation from the Company in respect of funds invested by the Company in the Master Fund.

The Company pays broker commissions (if any) and any issue or transfer taxes chargeable in connection with its investment transactions. Transaction costs incurred on the acquisition or disposal of an investment are charged to capital through the Statement of Comprehensive Income in the period in which they are incurred.

3.9 Costs directly attributable to the issue of equity

Share issue costs are placing expenses directly relating to the issue of the Company's shares. These expenses include fees payable under share placement agreements, printing, advertising and distribution costs and legal fees and any other applicable expenses. All such costs are charged to equity and deducted from the proceeds received.

3.10 Segment reporting

The Company is organised and operates as one segment by allocating its assets to its investment in the Master Fund which is not actively traded.

4. Critical accounting estimates and judgements

The Company makes estimates, judgements and assumptions that affect the reported amounts of assets and liabilities. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The fair value of the investment held in the Master Fund is determined by the directors on the basis of the NAV of the Master Fund as provided by the Master Fund Administrator at the year end.

5. Realisation class offer

In accordance with the realisation policy adopted by the Company in November 2013, the Company made an offer on 19 October 2016 to each holder of ordinary shares of 0.0001p each in the capital of the Company to redesignate some or all of their ordinary shares as realisation shares of 0.0001p each (a "Realisation Class Offer").

The realisation shares rank equally and otherwise carry the same rights as the ordinary shares with the exception of (i) the investment policy of the Company, the Master Fund and the Second Master Fund in respect of the realisation pool will be managed with a view of maximising investment returns, realising investments and making distributions to the holders of the realisation shares as realisations are made - this does not constitute a right to accelerated divestment of assets; (ii) the ordinary share distribution policy applicable to the ordinary shares will not apply to the realisation shares; and (iii) the realisation shares will entitle the realisation shareholders to returns only in respect of the realisations made on investments attributable to the realisation pool.

The cash attributable to these realisation shares is accounted for separately to the cash attributable to the ordinary shares and this cash may be utilised in follow-on investments into current holdings for a period of three years from 30 November 2016. Following that point, the cash attributable to the realisation shares will not be invested in follow-on opportunities in the Portfolio Companies and the holdings in Portfolio Companies attributable to realisation shares may be diluted compared to holdings attributable to ordinary shares. There may also be dilution of the realisation shares compared to the ordinary shares due to follow-on opportunities attributable to realisation shareholders being limited to the available cash in the realisation pool.

On 25 November 2016, the Company received elections from and on behalf of shareholders for 8,520,206 ordinary shares, representing 10.75% of the issued ordinary shares of the Company, to redesignate such ordinary shares as realisation shares.

On 30 November 2016, the Realisation Class Offer completed and a total of 8,520,206 ordinary shares were redesignated as realisation shares. The realisation shares were listed on the SFS and the Master Fund converted a proportion of Class F and G interests held by the Company, into Class R(F)1 and R(G)1 interests respectively.

The net asset value per share of both the ordinary and realisation shares as at the redesignation date on 30 November 2016 was £2.15676, this resulted in a total net asset value attributable to ordinary shareholders of £152,637,553 and a total net asset value attributable to realisation shareholders of £18,376,002.

The next Realisation Class Offer will be made available to ordinary shareholders in November 2021.

6. Taxation

The Company is exempt from all forms of taxation in the Cayman Islands, including income and capital gains. However, dividend income and certain other interest from other countries are subject to withholding taxes at various rates. The Company recognises interest and penalties, if any, related to unrecognised tax benefits as income tax expense in the statement of operations. During the years ended 31 December 2016 and 31 December 2015, the Master Fund did not incur any interest or penalties. The Company identifies its major tax jurisdiction as the Cayman Islands where the Company makes significant investments. The Board have considered the Company's tax positions, and have concluded that no liability for unrecognised tax liabilities should be recorded related to uncertain tax positions for open tax years and the positions to be taken for tax year ended 31 December 2016. The relevant statute of limitations in the United Kingdom for potential tax liabilities is five years, and therefore the years 2012 to 2016 inclusive remain open for tax purposes.

The directors of the Company intend to manage the affairs of the Company in such a way that it is not resident in the United Kingdom for United Kingdom tax purposes. In these circumstances, the Company will not be subject to United Kingdom tax on its profits and gains (other than withholding tax on any interest or certain other income which has a United Kingdom source).

The Company recognises the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. As at 31 December 2016, there are no such tax benefits recognised (31 December 2015: None).

7. Financial assets at fair value through profit or loss

As at 31 December 2016, 100% (2015: 100%) of the financial assets at fair value through profit or loss relate to the Company's investment in the Master Fund. The fair value of the investment in the Master Fund is based on the latest available NAV reported by the administrator of the Master Fund. The limited partnership interests in the Master Fund are not publicly traded; further information is included in the Prospectus issued on 19 October 2016 which is available on the Company's website.

As a result the carrying value of the Master Fund may not be indicative of the value ultimately realised on redemption. In addition, the Company may be materially affected by the actions of other investors who have invested in the portfolio companies in which the Master Fund has directly or indirectly invested.

Net Asset Value – investment movements

	31 December 2016	31 December 2015
Marwyn Value Investors L.P.	£	£
Opening cost	110,856,652	70,686,705
Redemption relating to the January return to ordinary shareholders	-	(1,966,759)
Redemption of Class F interests	-	(6,308,951)
Investment in Class G interests	-	48,445,657
Closing cost	110,856,652	110,856,652
Unrealised gain brought forward	78,781,858	119,388,542
Movement in unrealised gain	(22,434,279)	(40,606,684)
Unrealised gain carried forward	56,347,579	78,781,858
At fair value in accordance with IFRS 13	167,204,231	189,638,510
Class F interests	113,067,200	142,703,407
Class G interests	36,036,806	46,935,103
Total attributable to ordinary shareholders	149,104,006	189,638,510
Class R(F)1 interests	13,711,694	-
Class R(G)1 interests	4,388,531	-
Total attributable to realisation shareholders	18,100,225	-
At fair value in accordance with IFRS 13	167,204,231	189,638,510
Realised gain on redemption of Class F interests	-	12,344,204
Total net realised gain on redemptions	-	12,344,204
Net loss recognised in the statement of comprehensive income	(22,434,279)	(28,262,480)

The net gain or loss recognised on financial assets at fair value through profit or loss reported in the Statement of Comprehensive Income consists of the movement in the unrealised gain or loss and the net realised gains or losses on redemptions.

For the year ended 31 December 2016, the movement in unrealised gain is primarily due to the performance of the underlying Portfolio Companies, as discussed in the Performance summary on page 2. For the year ended 31 December 2015, included in the movement in unrealised gain is a balance of £12,344,204 recognised as a realised gain on the redemption of interests in the Master Fund. The remainder of the movement is primarily due to the performance of the underlying Portfolio Companies.

As detailed in Note 5, on 30 November 2016, 10.75% of the Company's ordinary shareholders redesignated their shares as realisation shares. Consequently, 10.75% of the interests in Class F and Class G interests of the Master Fund were transferred to Class R(F)1 and Class R(G)1 interests respectively.

The Company holds 100% (2015: 100%) of the Class F interests which represent 66.38% (2015: 73.72%) of the NAV of the Master Fund and 100% (2015: 100%) of the Class G interests which represent 21.16% (2015: 24.25%) of the NAV of the Master Fund.

The Company holds 100% (2015: no Class R(F)1 interests in existence) of the Class R(F)1 interests which represent 8.05% of the NAV of the Master Fund and 100% (2015: no Class R(G)1 interests in existence) of the Class R(G)1 interests which represent 2.58% of the Master Fund.

As the Company has no control over the Master Fund's activities nor over the Second Master Fund and has no voting power in either of their affairs, neither the Master Fund nor the Second Master Fund are considered to be subsidiaries.

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined by the lowest level input that is significant to the fair value instrument. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific top the asset or liability.

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

Taking into account the valuation methodology applied to the investments in the Master Fund, the Company's valuation of investments is classified as level 3 (2015: level 2). The Portfolio Companies are primarily categorised as level 1 fair value measurement with the exception of the investments in Le Chameau Group plc and Safe Harbour Holdings plc which are categorised as level 3 and valued in accordance with International Private Equity and Venture Capital valuation guidelines.

The following table presents the movement in Level 3 instruments:

	31 December 2016 £	31 December 2015 £
Opening balance	-	-
Transfers from Level 2 to Level 3	167,204,231	-
Closing balance	167,204,231	-

Transfers between Level 2 and Level 3

The investment in the Master Fund has been reclassified during 2016 from Level 2 to Level 3 in the fair value hierarchy due to the increase in value of investments classified as Level 3 at the Master Fund Level. Transfers between levels of the fair value hierarchy are recognised as at the end of the reporting period during which the change occurred.

The following table summarises the valuation methodologies used for the Company's investments characterized as Level 3 as at 31 December 2016:

Security	Fair Value £	Valuation methodology	Unobservable inputs	Ranges
Master Fund	167,204,231	NAV	Zero % discount	N/A

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturity of less than 3 months.

9. Financial liabilities at amortised cost

The Master Fund has made a loan to the Company of £125,000 (2015: £125,000) for which the Company pays interest received on the corresponding cash amount held. The loan will be repaid by set-off on the date that the Company's interests in the Master Fund are redeemed. As a cash balance is held to the value of the loan payable and all interest earned on the cash balance is added to the amount payable, the effect of discounting is not material to the cash flows or balance sheet position.

10. Dividend payable

The Company announced a quarterly dividend of 2.064p per ordinary share on 28 December 2016, payable in January 2017. The total dividend of £1,460,730 is recognised as a payable as at 31 December 2016. An equivalent distribution from the Master Fund to the Company is receivable as at 31 December 2016.

11. Reconciliation of net loss for the year to net cash inflow from operating activities

	31 December 2016	31 December 2015
	£	£
Loss for the year	(12,841,358)	(28,262,480)
Loss on investments held at fair value through profit or loss	22,434,279	28,262,480
Proceeds on redemption of interests in the Master Fund	-	20,619,913
Cash paid on investment in Class G interests in the Master Fund	-	(48,445,658)
Increase in receivables	(1,460,730)	-
Increase/(decrease) in accruals	158	164
Net cash inflow/(outflow) from operating activities	8,132,349	(27,825,581)

12. Share Capital

As at 31 December 2015 and 31 December 2016 the authorised share capital was as follows:

Ordinary shares of 0.0001p each	10,893,258,506,473
Exchange shares of 0.0001p each	10,892,176,350,000
Deferred shares of 9.9999p each	82,156,473

The ordinary share capital of the Company of a par value of 0.0001p may be issued or redesignated in classes, and includes realisation shares.

As detailed in Note 5, a total of 8,520,206 ordinary shares were redesignated as realisation shares and admitted to trading on the SFS with ISIN KYG5897M2086 on 30 November 2016. In turn, the Master Fund converted a proportion of Class F and G interests held by the Company, into Class R(F)1 and R(G)1 interests respectively.

Shares in issue

	2016			2015		
	Ordinary*	Exchange	Total	Ordinary	Exchange	Total
As at 1 January	79,292,032	16,050,000	95,342,032	64,065,256	16,050,000	80,115,256
Redemption	-	-	-	(7,500,497)	-	(7,500,497)
Issue	-	-	-	22,727,273	-	22,727,273
As at 31 December	79,292,032	16,050,000	95,342,032	79,292,032	16,050,000	95,342,032
Share capital (£)	79	16	95	79	16	95

Share premium

Ordinary shares*	2016	2015
As at 1 January	85,906,903	42,428,369
Redemption	-	(4,967,371)
Issue	-	48,445,635
As at 31 December	85,906,903	85,906,903

*Includes both ordinary and realisation shares, which constitute a single class of share for the purpose of the Company's Articles and Cayman law.

The weighted average number of shares in issue for the year ended 31 December:

	2016	2015
Ordinary	78,570,375	79,292,032
Realisation	721,657	-

(a) Voting rights

(i) Ordinary shares (including realisation shares) carry the right to receive notice of and attend and vote at any general meeting of the Company in accordance with the Articles.

(ii) Exchange shares carry the rights to receive notice of and to attend any general meeting of the Company but not vote unless there are no ordinary shares in issue in which case Exchange shares will have the voting rights set out in (i) above as if Exchange shares were ordinary shares.

(b) Dividends and distributions

(i) Subject to the Companies Law (2013 Revision) (the "Companies Law"), the directors may declare dividends (including interim distributions) and distributions on shares in issue and authorise payment of the dividends or distributions out of the funds of the Company lawfully available. No dividend or distribution will be paid except out of the realised or unrealised profits of the Company, or as otherwise permitted by the Companies Law. There are no fixed dates on which the entitlement to dividends arises. All dividend payments will be non-cumulative.

(ii) Distributions on each class of ordinary shares may only be paid from proceeds received from the corresponding class of interests in the Master Fund.

(iii) Exchange shares will not confer any rights to dividends or other distributions.

(iv) At the 2015 EGM a new distribution policy for the ordinary shareholders was adopted which resulted in:

- a progressive return, payable quarterly in the form of a dividend in January, April, July and October each year that will be maintained or grown on a pence per ordinary share basis. Quarterly interim dividends of 2.064p per ordinary share were paid in January, April, July and October 2016 (in January 2015, a capital distribution was made of 8.255p per ordinary share (total payment of £5,288,576), based on the previous annual distribution policy (as adopted following the 2013 EGM)), A special distribution of 2p per ordinary share was approved at the 2015 EGM, and subsequently paid in January 2016;
- in addition to the return detailed above, where the Master Fund or Second Master Fund disposes of an asset for a Net Capital Gain[3] and has not already returned an aggregate amount in excess of 50% of that gain and any previous such gains pursuant to the distribution policy, the Company will make an additional capital return of the difference to ordinary shareholders by way of tender offers, share repurchases or other returns of capital and distributions; and
- the opportunity to augment the distribution policy by returning cash in excess of the amounts referred to in (i) and (ii) above being kept under review and to be undertaken through periodic tender offers, share repurchases or other returns of capital and distributions.

The distribution policy does not apply to any realisation shares, which may be issued to shareholders who elect to receive them as described below and in Note 5.

(c) Realisation opportunities

As discussed in Note 5, on 19 October 2016, the Company offered its shareholders the opportunity to redesignate some or all of their ordinary shares of 0.0001p each in the capital of the Company as realisation shares of the same par value. The realisation shares rank equally and otherwise carry the same rights as the ordinary shares, save that (i) the investment policy differs to that of the ordinary shares, the realisation pool is only permitted to invest cash in follow-on investments in the portfolio companies and cash generated on the sale of an investment in the realisation pool may not be re-invested (ii) the distribution policy for the ordinary shares will not apply and (iii) the realisation shares entitle their holders to returns only in respect of realisations made on investments attributable to the realisation pool.

There are no exit penalties for those ordinary shareholders electing to re-designate all or some of their investment into realisation shares or on a return of capital attributable to the realisation shares. Equivalent realisation share offers will be made to ordinary shareholders again in November 2021 and thereafter at five-yearly intervals. Whilst the realisation shares currently in issue are listed on the SFS, listing of realisation shares from future offers will be subject to the receipt of all required consents and approvals, including the approval of the UKLA of a prospectus in relation to their admission to trading.

On 25 November 2016, the Company announced that 8,520,206 ordinary shares were to be resignated as realisation shares and therefore an application was made to the UKLA to this effect. The Realisation shares were admitted to trading on the SFS on 30 November 2016.

[3] Net Capital Gains means the net sale proceeds received by the Master Fund or the Second Master Fund on a Profitable Realisation (being the disposal of a security for a net consideration with a value higher than its value on 27 August 2013 for investments held at that date or, in respect of new investments made after that date, the Weighted Average Investment Cost (being the total capital cost of the investment divided by the number of shares held in such investment)).

(d) Rights as to capital

The surplus capital and assets of the Company will, on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) be paid to the holders of the ordinary shares and realisation shares pro rata to their holding of such shares out of the proceeds of the corresponding class of interests in the Master Fund.

13. Reserves

Special distributable reserve

A special distributable reserve was created when the Company cancelled all of its share premium account in existence as at 26 January 2007, transferring it to a distributable reserve to allow, among other things, the buy-back and cancellation of up to 14.99% of the ordinary shares.

Exchange reserve

Movements in capital in respect of shareholders exchanging into and out of the Company are recognised in the exchange reserve. There were no movements in the current or prior year.

Where the Company's partnership interests in the Master Fund are cancelled following exchanges by the Master Fund out of ordinary shares, the capital amount previously transferred to the exchange reserve is transferred to the revenue reserve. There were no movements in the current or prior year.

Revenue reserve

Realised gains and losses on redemptions of interests in the Master Fund made during the year are recognised in the result for the year movement in the revenue reserve. There are no such gains or losses in the current year. All distribution income received in the year ended 31 December 2016 had been paid to shareholders by way of dividends.

Capital reserve

Unrealised gains and losses on interests in the Master Fund are recognised in the result for the year movement in the capital reserve.

14. Instruments and associated risks

The Company invests substantially all its assets in the Master Fund, which is exposed to market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk arising from financial instruments it holds.

As at 31 December 2016, the Company owned 98.17% (2015: 97.96%) of the net assets of the Master Fund.

Market price risk

The Company is susceptible to the same market price risk arising from uncertainties about future values of the underlying Portfolio Companies although only the ordinary interests will participate in future new Portfolio Company investments. The Board accepts the market price risks inherent in the investment portfolio and monitors this by ensuring full and timely access to relevant information from the Manager. The Board receives quarterly reports from the Manager, meets regularly with the Manager and at each quarterly board meeting reviews investment performance.

Any movement in the value of the ordinary interests or the realisation interests of the Master Fund, or the value of partnership interests in the Second Master Fund, would result in an equivalent movement in the reported NAV per ordinary share and realisation share respectively.

The Company's exposure to changes in market prices at 31 December 2016 and 31 December 2015 on its unquoted investments was as follows:

	2016	2015
	£	£
Financial assets at fair value through profit or loss – ordinary shares	149,104,006	189,638,510
Financial assets at fair value through profit or loss – realisation shares	18,100,225	-
	167,204,231	189,638,510

The following table shows the average monthly performance of the reported NAV of the Company:

	2016 Analysis of monthly returns	2015 Analysis of monthly returns
Number of periods	12	12
Percent profitable	33%	42%
Average period return	(0.56)%	(1.63)%
Average return in profitable months	2.21%	3.67%
Average return in loss making months	(1.94)%	(5.41)%

The impact on net income and equity of the average monthly period returns set out in the above table as of 31 December 2016 is as follows:

	Monthly returns		Impact of Increase		Impact of Decrease	
	Increase (%)	*Decrease (%)*	*Net income (£)*	*Equity (£)*	*Net income (£)*	*Equity (£)*
2016	2.21	(1.94)	3,695,213	3,695,213	(3,243,285)	(3,243,285)
2015	3.67	(5.41)	6,959,733	6,959,733	(10,259,443)	(10,259,443)

The Company invests directly in the Master Fund and indirectly in the Second Master Fund. The Company is therefore exposed to price risks derived from the investment portfolios of the Master Fund and the Second Master Fund.

The Master Fund is theoretically exposed to a loss limited to the value of its investments if the market value of its investment holdings decreases. The Master Fund's direct and indirect investments in underlying Portfolio Companies are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that the Master Fund's objective of capital appreciation will be achieved.

Currency risk

The Company is not directly exposed to any material currency risk, although this may be a factor in price risk as a result of the investments made by the Master Fund. It is therefore considered that the Company is not materially exposed to significant direct currency risk.

Summary of currency exposure of the Master Fund	31 December 2016	31 December 2015
	£	£
Monetary assets in GBP	196,741,711	229,154,486
Non-monetary assets in GBP	-	-
Monetary liabilities in GBP	1,973,696	1,192,001
Non-monetary liabilities in GBP	-	-

Liquidity risk

The Company may not sell its investment in the Master Fund without the approval of the Master Fund's General Partner. Redemption opportunities are available in relation to ordinary shares in line with the policy adopted at the 2013 EGM and realisation opportunities are disclosed in Note 5. Further, the Master Fund has no control over the timing of the redemption of its investment in the Second Master Fund and a significant proportion of the investments in the Portfolio Companies are in publicly traded investments, the holdings of which may not be readily realisable due to their size or in private companies which may also not be readily realisable. As such the Master Fund and/or Company may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from doing so. However, the Company's liquidity profile of its assets is matched with the liquidity profile of its liabilities, as described below.

The Company holds Class F, Class G, Class R(F)1 Class R(G)1 interests in the Master Fund. The policy is that the Company should remain fully invested in normal market conditions. The Company is only required to settle its liabilities when its investment is fully redeemed. The following table shows the contractual, undiscounted cash flows of the Company's financial liabilities:

	Less than 1 month 2016	1-3 months 2016	Less than 1 month 2015	1-3 months 2015
	£	£	£	£
Loan from Master Fund	125,000	-	125,000	-
Payables and accruals	2,582	-	2,424	-

The Company holds, and will continue to hold, £125,000 cash (2015: £125,000) in respect of the £125,000 loan payable to the Master Fund (2015: £125,000) (see Note 9). The remainder of the loan will be repaid by set-off on the date that Master Fund interests are fully redeemed.

As all Company specific operating expenses, other than share issue costs paid directly by the Company from the proceeds of shares issued, are paid by the Master Fund as discussed in Note 3.8 and as the loan is repayable by set-off, the directors do not consider the Company has any net liquidity risk.

Interest rate risk

The Company itself is not exposed to significant interest rate risk, however it is indirectly exposed to such risk through its investment in the Master Fund. Details of the Master Fund's exposure to interest rate risk are set out below:

The Master Fund has an interest bearing loan facility with a term until June 2017 which accrues interest at 2.10% per annum on drawn amounts and a commitment fee of 0.06% per annum on undrawn amounts. Whilst this facility is not required to be drawn upon, the facility limit has been reduced to £1 as at 31 December 2016 (£45 million as at 31 December 2015, none of which was drawn). The Master Fund also holds cash and cash equivalents at short-term market interest rates. This exposes it to risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its cash flows. The impact of any movement in interest rates is not considered to have a material effect on the Master Fund.

During 2016, a loan facility totalling £7.4 million was extended to Le Chameau Group plc by the Master Fund with an interest rate of 8% on drawdown amounts and a commitment fee of 1.5% on undrawn amounts. A total of £5.7 million was drawn down as at 31 December 2016. In February 2017, the facility was extended by a further £2.5 million on the same terms as the original facility.

The remainder of the Master Fund's assets and liabilities are non-interest bearing.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main credit risk relates to the cash held with financial institutions.

The Company, the Master Fund and the Second Master Fund manages its exposure to credit risk associated with its cash deposits by selecting counterparties with a high credit rating with which to carry out these transactions. The counterparty for these transactions is HSBC Bank plc, which holds a short-term credit rating of P-1, as issued by Moody's. The Company's maximum exposure to credit risk is the carrying value of the cash on the balance sheet.

The Master Fund's policy is to enter into financial instruments with a range of reputable counterparties. Therefore, the Master Fund does not expect to incur material credit losses on its financial instruments. At 31 December 2016 having considered the Portfolio Companies directly and indirectly held by the Master Fund, the Board considers that credit risk is limited to the extent of the equity investments in the underlying Portfolio Companies the majority of which are listed investments (risks associated with such investments have been considered under Market Price Risk) and the drawn down facility extended to Le Chameau Group plc. This facility is secured by charges over shares in other Le Chameau group entities and over certain bank accounts, reducing the credit risk exposure of the facility.

15. Material contracts and related-party transactions

In the opinion of the directors on the basis of shareholdings advised to them, the Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

The Company, the Master Fund and the Second Master Fund are managed by Marwyn Asset Management Limited . The Master Fund has to date invested £108.3 million in the Second Master Fund as the sole limited partner. The Master Fund has committed to invest in aggregate £152.4 million in the Second Master Fund contingent on a successful third party close of the Second Master Fund. At the end of the financial yeat and the date of these financial statements, the third party close has not occured. Up until the third party close, no management fee is being charged by the Manager to the Second Master Fund. Following any such close, any management fee paid to the Manager by the Second Master Fund relating to the investment held by the Master Fund will be fully rebated by the Manager to the Master Fund.

(a) Management fee, investment advisory fee and incentive allocation

On 29 November 2013, Marwyn Asset Management Limited was appointed Manager to the Company. The Manager engaged Marwyn Investment Management LLP as the Investment Adviser at the same date.

Under the Management Agreement dated 29 November 2013 the Manager does not receive any fees to the extent that the Company invests its assets only in the Master Fund. In respect of any assets of the Company not invested in the Master Fund, the Manager receives aggregate performance and management fees on the same basis as those to which it would have been entitled if such assets had been those of the Master Fund.

The Company has not made any such investments during the year and as such no fees were paid by the Company or payable at the year end (2015: Nil).

Under the Master Fund Management Agreement, the Manager receives monthly management fees from the Master Fund not exceeding 2% of the net asset value before incentive allocations of each class of interests in the Master Fund, payable monthly in arrears. If the realisation pool remains in existence after 2 years, the management fee will be calculated by reference to net asset value before management and performance fees less the aggregate value of cash and near cash investments attributable to the realisation share interests. The total management fee expense, borne by the Master Fund for the year ended 31 December 2016 was £4,046,460 (2015: £4,337,020).

The incentive allocations to be borne by the Class F, Class G, Class R(F)1 and Class R(G)1 interests in the Master Fund will only be payable on returns being made to shareholders as disclosed in Part II, section 9 of the prospectus published on 19 October 2016. In 2016, an amount totalling £7,243,939 was paid to retired partners in accordance with the provisions of the Circular. As a result of this payment to the retired partners, the incentivisation of the existing Marwyn partners and senior management team is fully aligned with the interests of ordinary shareholders in the Company. The net impact of the payment to retired partners on the NAV attributable to ordinary shareholders is zero, although ordinary shareholders benefit from the calculation of the management fee on a reduced Gross Asset Value, which decreased by the amount of the payment.

During the year ended 31 December 2016, the total uncrystallised incentive allocations relating to the ordinary and realisation shares decreased by £2,530,876 (for the equivalent period to 31 December 2015, the decrease was £6,687,890). The total incentive allocation accrued as at 31 December 2016 amounted to £24,008,264 (2015: £33,783,080 (prior to the retired partners payout described previously)).

As noted in the Report of the directors, investors can assess remuneration and incentives by reference to the disclosure of the basis of calculation of the incentive allocations which was made in the Circular and in the prospectus published on 19 October 2016. These documents are available on the Company's website.

(b) Administration fee

Axio is the administrator of the Company and is considered to be a related party.

Axio was paid a fee of £80,000 in 2016 (2015: £105,000) for the administration of the ordinary and realisation shares, monthly in arrears and £10,000 in relation to the realisation share offer. Axio is entitled to reimbursement of certain expenses incurred by it in connection with its duties. These fees are paid by the Master Fund as they were in 2015 as per Note 3.8.

(c) Board of Directors' remuneration

Directors' fees are paid by the Master Fund as per Note 3.8. The directors of the Company received the following fees in the year:

Robert Ware	£45,000	(2015: £45,000)
Ronald Hobbs	£40,000	(2015: £40,000)
Louisa Bonney*	£40,000	(2015: £40,000)
Martin Adams	£40,000	(2015: £25,854)
Paul Everitt	Nil	(2015: £34,210)

*Paid to Axio

All directors are entitled to receive reimbursement for all travel and other costs incurred as a direct result of carrying out their duties as directors.

16. Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to maximise capital return to its equity shareholders.

The Company's capital at 31 December comprises:	2016	2015
	£	£
Share capital	95	95
Share premium	85,906,903	85,906,903
Special distributable reserve	26,346,979	26,346,979
Exchange reserve	54,386	54,386
Capital reserve	46,759,205	69,193,484
Revenue reserve	8,136,663	8,136,663
Total capital	167,204,231	189,638,510

The Board, with the assistance of the Manager monitors and reviews the structure of the Company's capital on an ongoing basis.

17. Ordinary shares - by series

The Company has the ability to issue different series of ordinary shares (including realisation shares), the proceeds of which can be invested in separate classes of the Master Fund. Distributions on each series of ordinary shares may only be paid from proceeds received from the corresponding class of interests in the Master Fund. The surplus capital and assets of the Company will on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) be paid to the holders of each series of the ordinary shares pro rata to their holding of such ordinary shares out of the proceeds of the corresponding class of interests in the Master Fund. As at 31 December 2016 ordinary shares and realisation shares remained outstanding as per Note 12. The information on the following four pages sets out the risks applicable to these shares in issue.

18. Commitments and contingent liabilities

There were no commitments or contingent liabilities of the Company outstanding at 31 December 2016 or 31 December 2015 that require disclosure or adjustment in these financial statements.

19. Subsequent events

The Company paid an interim dividend to ordinary shareholders, equal to 2.064p per ordinary share in January 2017. In March 2017, the Company declared a further interim dividend of 2.064p per ordinary share to be paid in April 2017.

Risks applicable to investing in the Company

Past performance

The past performance of the Company, the Master Fund and the Second Master Fund, the Manager, the Investment Adviser and the principals of the Investment Adviser may not be indicative of future performance.

Dependence on key individuals

The success of the Company, the Master Fund and the Second Master Fund depends upon the ability of the Manager and Investment Adviser to develop and implement investment strategies that achieve the Master Fund's and the Second Master Fund's investment objective. If the Manager were to become unable to participate in the investment management of the Master Fund and the Second Master Fund, or if the Investment Adviser were to become unable to provide investment advice to the Manager, the consequence for the Company and the Fund would be material and adverse and could lead to the premature winding-up of the Company and/or Fund.

Economic risk

On 23 June 2016, a referendum was held in the United Kingdom regarding its continued membership of the European Union. Following the result of the referendum, the government of the United Kingdom has announced its intention to implement the withdrawal of the United Kingdom's membership of the European Union ("Brexit"). The long term consequences of Brexit are as yet unclear and will not become clear for some considerable time, but there is a significant possibility that (i) financial markets in the United Kingdom will experience greater volatility than would otherwise be expected; and (ii) securities listed on financial markets across Europe in general will suffer a decline in value in the period within which Brexit is negotiated between the government of the United Kingdom and the remaining 27 states of the European Union.

Restriction on auditors' liability

Cayman law does not restrict the ability of auditors to limit their liability and consequently any engagement letter in relation to the Company and/or the Master Fund entered into with the auditors of the Company and/or the Master Fund may contain such a provision as well as contain provisions indemnifying the auditors in certain circumstances.

Handling of mail

Mail addressed to the Company and/or the Master Fund and received at their respective registered offices is scanned and emailed to the Administrator or Master Fund Administrator as the case may be to be dealt with. None of the Company, the Master Fund, the General Partner or any of its or their directors, officers or providers bear any responsibility for any delay howsoever caused in mail reaching the Administrator or Master Fund Administrator as the case may be.

Net asset value considerations

The Net Asset Value per ordinary share including realisation shares of the Company and the Net Asset Value of the Company, the Master Fund and the Second Master Fund are expected to fluctuate over time with the performance of the Company's, the Master Fund's and/or the Second Master Fund's investments.

Where in relation to the calculation of the Net Asset Value of the Company there is any conflict between IFRS and the valuation principles set out in the prospectus in relation to the Company, the latter principles shall take precedence.

Where in relation to the calculation of the Net Asset Value of the Master Fund there is any conflict between US GAAP and the valuation principles set out in the limited partnership agreement of the Master Fund or its offering memorandum, the latter principles shall take precedence.

Where in relation to the calculation of the Net Asset Value of the Second Master Fund there is any conflict between IFRS and the valuations principles set out in the limited partnership agreement of the Second Master Fund or its private placement memorandum, the latter principles shall take precedence.

There is no reliable liquid market for the Company's interest in the Master Fund and the valuation of the Portfolio Companies may involve the General Partner and/or the general partner of the Second Master Fund exercising judgement. There can be no guarantee that the basis of calculation of the value of Portfolio Companies used in the valuation process will reflect the actual value on realisation of those investments.

Liquidity risk

The investment objectives of the Company, the Master Fund and the Second Master Fund allow them to invest in instruments which may be both illiquid and scarce. Market conditions may increase illiquidity and scarcity and have a generally negative impact on the Manager's ability to identify and execute suitable investments that might generate acceptable returns. Market conditions may also restrict the supply of investment assets that may generate acceptable returns and thereby cause "cash drag" on the Company's performance. Adverse market conditions and their consequences may have a material adverse effect on the Company's investment portfolio. To the extent that there is a delay in making investments, the Company's returns will be reduced.

Market price

There is no guarantee that the market price of the ordinary and realisation shares will fully reflect the underlying value of the assets held by the Company and which are attributable to the ordinary or realisation shares. The underlying investments of the Company may be subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. As well as being affected by the underlying value of the assets held, the market value of the ordinary or realisation shares will also be influenced by the supply and demand for the ordinary or realisation shares in the market. As such, the market value of the ordinary shares may vary considerably from the underlying value of the Company's assets attributable to the ordinary or realisation shares.

Tax considerations

The European Commission has made a proposal for the implementation of a financial transactions tax. If implemented, it may have an adverse effect on investment returns.

Risks Applicable to Investments in the Company

Each series of ordinary shares is not a separate legal entity

The Company may raise additional finance to invest in the Master Fund by selling further series of ordinary shares to investors. The net proceeds of issue of each series of ordinary shares will be invested by the Company in a corresponding class of interests in the Master Fund. In certain circumstances, if the Company incurs a liability in respect of assets attributable to another series of ordinary shares, the ability of the Company to distribute profits or repurchase ordinary shares, not only in relation to that series, but also in relation to any other series may be affected because under the Companies Law, the ability to distribute profits or repurchase ordinary shares has to be determined by reference to the solvency of the Company as a whole, rather than on a series by series basis. Liabilities relating to one ordinary share series cannot be ring-fenced.

Additionally, the investment assets of the Company (i.e. namely, its interests in the ordinary share interests and realisation share interests of the Master Fund), are not legally segregated and so assets held by the Company and attributed to realisation shareholders may be required to be liquidated to meet liabilities attributable to ordinary shareholders (or vice versa).

Risk of not obtaining distributing or reporting status

There is no guarantee that the Company will continue to obtain distributing or reporting status for UK taxation purposes in relation to the ordinary shares including realisation shares. There is therefore a risk that any gain realised on any disposal of ordinary and realisation shares will be taxed as income in the UK, rather than capital gain.

Sole purpose

The Company has been established with the sole purpose of investing in the Master Fund. The success of the Company therefore depends on the success of the Master Fund and the Second Master and its ability to successfully implement its investment strategy. Identification and exploitation of the investment strategies to be pursued by the Master Fund involve a high degree of uncertainty.

Limited redemption rights

The Company has no right of redemption in relation to the Class F, Class R(F)1 Class G, and Class R(G)1 interests. The right of shareholders to elect to move into realisation shares does not result in the resulting realisation share interests in the Master Fund (which will be held on behalf of realisation shareholders) being redeemable. They will only be redeemed when the underlying investments are sold in the ordinary course of business.

Cayman Islands registration

The Company is registered in the Cayman Islands. As a result, the rights of the shareholders are governed by Cayman law and the Articles. The rights of shareholders under Cayman law may differ from the rights of shareholders of companies incorporated in other jurisdictions and the enforcement of such rights may involve different considerations and may be more difficult than would be the case if the Company had been incorporated in England and Wales or the jurisdiction of a shareholder's residence. The following are examples: (i) subject only to the Company's Articles, the allotment and issue of securities is under the exclusive control of the directors and there are no pre-emption rights under the law; (ii) there is no express restriction on the Company making loans to directors nor the equivalent of substantial property rules for transactions involving directors under the Cayman law; and (iii) assets of the Company are under the exclusive control of the directors and the Cayman law does not expressly restrict the powers of the directors to dispose of assets. Examples (i) to (iii) above are intended for the purposes of illustration only and are not an exhaustive list. Investors should take appropriate independent legal advice to determine if they are afforded protections they consider are necessary for their specific circumstances.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (i) an act which is ultra vires the company or illegal, (ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (iii) an irregularity in the passing of a resolution which requires a qualified (or special) majority. In the case of a company (not being a bank) having a share capital divided into shares, the courts may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and to report thereon in such manner as the courts will direct. Any shareholder of a company may petition the courts which may make a winding-up order if the courts are of the opinion that it is just and equitable that the company should be wound up. Generally, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in Cayman lawor their individual rights as shareholders as established by the company's memorandum and articles of association.

Control over the Master Fund and the Second Master Fund

The Company, in its capacity as an investor, has no opportunity to control the day-to-day operations, including investment and disposition decisions made by the Manager, the resolution of potential or actual conflicts of interest that may arise, the appointment or removal of service providers to the Master Fund or the Second Master Fund or distributions from the Mater Fund. The Company does not have the opportunity to evaluate the relevant economic, financial and other information that is utilised by the Manager in its selection of investments or the Investment Adviser in its evaluation of investments, does not receive the detailed financial information regarding investments that is available to the Manager or the Investment Adviser and has no right to be informed about actual or potential conflicts of interest.

The Master Fund has adopted the amended distribution policy in relation to Class F, Class G Class R(F)1 and Class R(G)1 interests. However, the Company has no control over the amount or timing of any redemptions by the Master Fund or the Second Master Fund or other distributions which may be used to fund extraordinary distributions.

The Master Fund, as a limited partner in the Second Master Fund, has no control over the investment or disposal decisions of the Second Master Fund or timing of any redemptions or other distributions by the Second Master Fund.

Conflicts of interest

The Master Fund and the Second Master Fund (together the "Master Funds") are subject to a number of actual and potential conflicts of interest with the Company and with each other. The Company (or, as appropriate, other relevant parties) aims to manage such conflicts to prevent a material risk of damaging any investor's interest. Where this is not possible the conflicts are disclosed.

Certain inherent conflicts of interest arise from the fact that the Manager and its affiliates (including the Investment Adviser) provide investment management and investment advisory services to both Master Funds and the Company.

In order to ensure an equitable management of the potential conflicts of interest that could arise in managing the interests of ordinary shareholders and realisation shareholders, the Master Funds have agreed the following policies:

1. interests in Portfolio Companies held by the Master Fund attributable to realisation share interests will only be sold when the Second Master Fund disposes of interests in the same Portfolio Companies on a simultaneous basis. All disposals will be pro rata between the Second Master and the Master Fund; and

2. the Master Fund and the Second Master Fund will make follow-on investments in Zegona, BCAM plc, Gloo and Safe Harbour pro rata to the holdings of the Master Fund and the Second Master Fund in such shares on the date of such follow-on investment, provided that the Master Fund shall not be required to make a follow-on investment to the extent it does not have cash available to fund such investment having regard to its working capital requirements as agreed with the general partner of the Master Fund (with the prior written agreement of the Board).

The Company's Administrator is ultimately owned by the principals of the Investment Adviser and certain directors of the Administrator also provide director services to the Manager, the Company, the general partner of the Master Fund and the general partner of the Second Master Fund. The Administrator also provides certain corporate administration services to certain of the Portfolio Companies, each Master Fund as well as other Marwyn entities. The Administrator also provides nominee related services to the general partner of the Second Master Fund in respect of the Second Master Fund.

The use of a structure which includes the Master Funds may also create a conflict of interest in that different tax considerations for investors in the Company, the Master Fund and/or the Second Master Fund may cause the Master Fund and/or the Second Master Fund to structure or dispose of an investment in a manner that is more advantageous to one group than the other.

Class consents

Certain actions by the General Partner in respect of the Master Fund require the written consent of investors in that Class. Where the directors allow holders of ordinary shares or realisation shares to vote on a matter for which the General Partner is seeking investor consent and, if the resolution is passed by a simple majority of those voting in person or by proxy at a meeting of the holders of the relevant shares, the directors will give consent to the General Partner in respect of all of the Company's interests in the relevant Class. The Company will not split its consent in accordance with the votes of the holders of the relevant series of shares.

Value and liquidity of the shares

The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile. The price at which the shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations, and others which may affect companies operating within a particular sector or quoted companies generally. Prospective investors should be aware that the value of the shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the shares may not reflect the underlying value of the Company's net assets.

There is no reliable liquid market for the Company's interest in the Master Fund and the valuation of Portfolio Companies may involve the general partners of the Master Fund and the Second Master Fund exercising judgement. This is particularly the case in the context of the Master Fund's investment in Le Chameau Group plc, Safe Harbour Holdings plc and Wilmcote Holdings plc, which are comprised of unlisted securities for which there is no liquid market. There can be no guarantee that the basis of calculation of the value of Portfolio Companies used in the valuation process will reflect the actual value on realisation of those investments.

Additional financing and dilution

If the Company issues further series of ordinary shares, whilst these will not dilute the economic interests of the existing classes in the Master Fund, the additional ordinary shares will carry rights to vote at general meetings of the Company and will therefore dilute shareholders' voting rights accordingly. The directors may seek debt finance to fund the expansion of the Company. There can be no assurance that the Company will be able to raise such debt funds, whether on acceptable terms, or at all. If debt financing is obtained, the Company's ability to raise further finance, and its ability to operate its business, may be subject to restrictions.

Registration under the US Investment Company Act and the US Advisers Act

The Company has not been and it is extremely unlikely it will ever be registered under the US Investment Company Act. In addition, the Manager and the Investment Adviser have not been and it is extremely unlikely that they will ever be registered as "Investment Advisers" under the US Investment Advisers Act.

Depository Interests

Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable shareholders to settle such securities through the CREST system, a depository or custodian can hold the relevant securities and issue dematerialised depository interests representing the underlying shares which are held on trust for the holders of these depository interests.

Voting rights

Under the Articles, only those persons who are shareholders of record are entitled to exercise voting rights. Persons who hold ordinary shares or realisation shares in the form of depository interests will not be considered to be record holders of such shares that are on deposit with the depository and, accordingly, will not be able to exercise voting rights. However, the deed poll which created the depositary interests (the "Deed Poll") provides that the depository shall pass on, as far as it is reasonably able, rights and entitlements to vote. In order to direct the delivery of votes, holders of depository interests must deliver instructions to the depository by the specified date.

Neither the Company nor the depository can guarantee that holders of depository interests will receive the notice in time to instruct the depository as to the delivery of votes in respect of shares represented by depository interests and it is possible that they will not have the opportunity to direct the delivery of votes in respect of such shares. In addition, persons who beneficially own shares that are registered in the name of a nominee must instruct their nominee to deliver votes on their behalf.

Neither the Company nor any nominee can guarantee that holders of depository interests will receive any notice of a solicitation of votes in time to instruct nominees to deliver votes on behalf of such holders and it is possible that holders of depository interests and other persons who hold ordinary shares or realisation shares through brokers, dealers or other third parties will not have the opportunity to exercise any voting rights.

Limitation of liability

The Deed Poll contains provisions excluding and limiting the depository's liability to holders of depository interests. For example, the depository will not be liable to any holder of depository interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or the fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, except in the case of personal injury or death, the depository's liability to a holder of depository interests will be limited to the lesser of: (i) the value of shares and other deposited property properly attributable to the depository interests to which the liability relates; and (ii) that proportion of £10 million which corresponds to the portion which the amount the depository would otherwise be liable to pay to the holder of the depository interests bears to the aggregate of the amounts the depository would otherwise be liable to pay all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £10 million.

The depository is entitled to charge fees and expenses for the provision of its services under the Deed Poll without passing any profit from such fees to holders of depository interests.

Indemnification

Each holder of depository interests is liable to indemnify the depository and any custodian (and their agents, officers and employees) against all costs and liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of depository interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the depository, or the custodian or any agent, if such custodian or agent is a member of the depository's group, or, if not being a member of the same group, the depository has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent.

United States ownership and transfer restrictions

There are restrictions on the purchase of ordinary and realisation shares by or to investors who are located in the United States or who are US persons (as defined in the United States Securities Act of 1933 as amended) or who acquire ordinary shares for the account or benefit of US Persons. For a complete description of these ownership and transfer restrictions please refer to section 4 of Part VIII of the prospectus published by the Company on 19 October 2016. In the event that ordinary shares are acquired by persons who are not qualified to hold the ordinary or realisation shares, such ordinary or realisation shares are subject to provisions requiring forfeiture and/or compulsory transfer as described in section 4 of Part VIII of that prospectus.

United Kingdom tax considerations

Although the directors intend that, insofar as it is within their respective control, the affairs of the Company are conducted so that the Company does not become subject to United Kingdom tax on its profits or gains, there can be no guarantee that all of the requirements to ensure this will at all times be satisfied.

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