

**MARWYN VALUE INVESTORS LIMITED**

UNAUDITED INTERIM RESULTS

FOR THE 6 MONTH PERIOD TO 30 JUNE 2009



## **MARWYN VALUE INVESTORS LIMITED**

### **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009**

#### **CHAIRMAN'S STATEMENT AND INTERIM MANAGEMENT REPORT**

I am pleased to report Marwyn Value Investors Limited ("the Company") unaudited interim results for the six months ended 30 June 2009.

On 8 July 2009, the reorganisation of the Company and its migration to the Cayman Islands took place as planned to allow for the introduction of an innovative exchange procedure, in order to address the issue of the discount of the Company's share price to its Net Asset Value ("NAV"). This exchange mechanism enables investors to move between the Company and the Master and Unlisted Funds (and back into the Company should they wish). The discount of the share price to NAV has reduced from 65.2% as at 31 December 2008, to 29.2% as at 31 July 2009.

As part of the reorganisation there has been a change to the investment policy so that no further investments (other than follow-on investments in the existing portfolio companies) are made using available cash, and that the existing portfolio of investments is managed with a view to maximising returns to investors, by realising investments and making distributions to investors as realisations are made. In order to maximise the returns to investors and to align the interests of the Manager with shareholders, a new incentive arrangement has been put in place.

#### **Investment Performance**

The basic NAV per ordinary share of the Company increased during the period by 19.73p pence to 88.68 pence, a rise of 28.6%; the NAV of the Master Fund rose by 29.4% in the same period. A summary of the Master Fund returns as against various benchmarks for the period and from inception is set out below:

Performance	Master Fund	FTSE All Share	FTSE Small Cap	MSCI Europe
Year to date (to 30/6/2009)	29.39%	-1.99%	20.70%	6.07%
Since inception (1/3/2006 to 30/6/2009)	33.06%	-26.64%	-37.32%	-30.40%

David Williams  
Chairman  
19 August 2009

## INVESTMENT MANAGER'S REPORT

The Fund has had a strong first half of the year. Investment returns have been driven through a combination of strong underlying performance in portfolio companies together with opportunistic follow on investments where we felt the market, or other investors' circumstances, represented an opportunity to increase our holdings in circumstances where we felt the market price substantially misrepresented the intrinsic value of the companies in question.

Based upon the Company's investment in the Master Fund, the Company's total NAV is broken down across the following companies in the following percentages as at 30 June 2009:

### Allocation of Marwyn Value Investors Limited NAV by company

Company	Ticker	Sector	% of NAV
Advanced Computer Software	ASW LN	Healthcare Software	12.56%
Concateno	COT LN	Drug & Alcohol Testing	33.38%
Entertainment One	ETO LN	Entertainment Rights	20.36%
Marwyn Materials	MMAT LN	Construction Materials	7.19%
Melorio	MLO LN	Vocational Training	13.01%
Praesepe	PRA LN	Gaming	11.18%
Silverdell	SID LN	Asbestos Services	2.41%
Zetar	ZTR LN	Specialty Confectionary	1.35%

Our outlook for the remainder of the year remains positive and we believe that all of our companies continue to have the capacity to outperform and execute upon their stated strategies.

## **PORTFOLIO COMPANIES**

**Company:** Advanced Computer Software plc (“ACS”)

**Sector:** Software and IT services

**Ticker:** ASW LN

Strategy and Opportunity:

ACS has identified the opportunity to become a leading provider of software and services to the UK primary care market (the provision of first line patient services such as GPs, walk-in-centres, district nursing, and OoH services). The Company’s strategy is to consolidate the fragmented healthcare software market, through selective acquisitions, with a focus on primary care.

Management Biography:

Vin Murria (Chief Executive Officer) has over 20 years’ experience of working for private equity backed and publicly listed companies focused on the software sector. During this time, Vin has held a number of senior positions, including Chief Executive Officer of Computer Software Group plc, which she took private in May 2007. The company merged with IRIS in July 2007 and was subsequently sold to Hellman Friedman for \$1 billion. Vin is a Partner at Elderstreet Capital, and prior to this was European Chief Operating Officer for Kewill Systems Plc and Chairman of Leeds Group Plc. She remains a Chair or Non-Executive Director to a number of companies, including Concateno plc, BSG plc and Innovise Plc.

Progress over the Period:

ACS completed its platform acquisition, of Adastra Software Limited, for £12 million in July 2008. Adastra provides a specialist medical event management, data distribution and clinical support software application to healthcare provider services. Following the acquisition, the company announced a restructuring process to deliver a number of cost cutting opportunities. Financial results to 28 February 2009 were positive, with revenue for the Adastra business showing 29% year on year growth and EBITDA margin improvement in the period from 19% to 36%. Following a placing to institutional investors of £44 million in May 2009, ACS announced an offer to acquire Business Systems Group Holdings Plc, a business specializing in outsourced managed services for technical infrastructure and systems operations, for approximately £7 million.

#### Investment Performance:

During the period to 30 June 2009 ACS's share price rose from 18.0p to 32.5p.

**Company:** Concateno plc (“Concateno”)

**Sector:** Drug and Alcohol testing

**Ticker:** COT LN

#### Strategy and Opportunity:

Concateno has identified the opportunity to create a dominant position in the European drug and alcohol testing sector. The strategy has been to focus on the UK and Scandinavian markets which, although less developed than the mature US market, are characterised by higher margins and more robust growth patterns and in which Concateno enjoys strong revenue visibility with long term contracts and high customer retention.

#### Management Biography:

Keith Tozzi (Chairman) has wide experience at board level in creating and developing successful businesses, including as Group Technical Director of Southern Water plc from 1992 to 1996, Chief Executive of the British Standards Institution from 1996 where he grew annual turnover by over £100 million to £211 million in 2000, enjoying extensive experience acquiring businesses in the UK, South America and Eastern Europe to leverage the brand and, until its takeover by 3i in February 2008, Non-Executive Chairman of Inspicio plc.

Fiona Begley (Chief Executive Officer) has significant experience in the drug and alcohol testing sector, having joined Medscreen in 1996 as Sales and Marketing Manager. She was appointed General Manager in 1998 and Managing Director in 2000 and led the management buyout from PharmChem in 2002. Her previous experiences have included management roles for Syva UK and Behring Diagnostics UK with a focus on business development and marketing in the diagnostics industry. Prior to 1992 Fiona was a product manager and biochemist in the pharmaceuticals and biotechnology sector.

#### Progress over the Period:

Following its consolidation of the drug and alcohol testing sector in 2007 Concateno completed its program of restructuring in 2008. On 30 March 2009 Concateno announced its results for the year ended 31 December 2008 and, despite testing economic conditions, reported like-for-like proforma revenue growth of 14% and EBITDA growth of 48%.

In July 2008 Concateno announced that it was in an offer period, having received a number of approaches for the business. On 5 June 2009 Concateno announced that it had agreed a recommended offer for the business with Inverness Medical Innovations, Inc., a US medical diagnostics business. The offer of a minimum price per Concateno shares of 120p represents a premium of 41% to the placing price of the first acquisition and a premium of 35% to the six month average price.

#### Investment Performance:

Between 1 January 2009 and 4 June 2009, being the last business day prior to the announcement of the offer, Concateno's share price rose from 93.5p to 107p. As noted above Concateno is currently subject to an offer at a minimum of 120p per share.

**Company: Entertainment One Limited (“E1”)**

**Sector: Entertainment Rights Distribution**

**Ticker: ETO LN**

#### Strategy and Opportunity:

E1 has identified the opportunity to create a leading international independent film distribution business through the acquisition of leading local independent distributors alongside organic growth in the form of increased investment in content acquisition. The film market continues to grow, with recent box-office figures reaching record levels.

During 2008 E1 established itself as the leading independent television company in Canada. Television diversifies E1's revenues across the spectrum of filmed entertainment. Supported by unique Canadian production financing incentives and with established reach in the US and international broadcast markets, E1 is well positioned to drive long term value from the production and international distribution of original programming across multiple genres.

#### Management Biography:

Darren Throop (CEO) and Patrice Theroux (President of Filmed Entertainment) have combined experience of over 40 years in the industry. Before joining E1, Patrice was CEO of Motion

Picture Distribution, an international film distribution business with operations in Canada, UK and Spain. Giles Willits (CFO) was previously Director of Group Finance of J Sainsbury plc.

#### Progress over the Period:

In June 2009 the company announced its results for the year ended 31 March 2009, which were slightly ahead of market expectations with revenue of £342.6 million and EBITDA of £25.3 million.

Since December 2008, E1 has released the first titles under its output deal with US studio Summit Entertainment, with *Twilight* (starring Robert Pattinson) and *Knowing* (Nicholas Cage) reaching number 1 in both the UK and Canadian box office. *Twilight* is the first in a three-part franchise based on the international bestselling teen-vampire books by Stephenie Meyer. The sequel *New Moon* is due for release in November 2009.

In March 2009, Marwyn announced a tender offer for up to 27 million shares of E1 at 12.5p. The tender offer was fully subscribed. After allowing for management participation, Marwyn acquired a total of 21.6 million shares.

#### Investment Performance:

The share price closed the period 1.0p lower at 25.5p, having fallen to a low of 12.5p during the period as a result of difficult equity market conditions.

**Company: Marwyn Materials Limited (“Marwyn Materials”)**

**Sector: Building Materials**

**Ticker: MMAT LN**

#### Strategy and Opportunity:

Marwyn Materials has identified the opportunity to create value for shareholders through a properly executed, acquisition led strategy in the international building materials industry focusing on the UK, Eastern Europe and the US. Whilst the UK and international building materials markets are generally well consolidated and dominated by a small number of key players, the smaller end of the market remains fragmented and management believes that shareholder value can be created through market consolidation. Given recent economic uncertainty and the sector wide rerating of building related stocks, management believe that the current climate represents an opportunity to make acquisitions on significantly lower valuations.

In the long term management believe that the prospects for the building materials sector are favourable, with public sector non-housing construction and infrastructure spend expected to partially offset the downturn in private construction over the coming few years.

#### Management Biography:

Peter Tom CBE (Executive Chairman) has more than 50 years' experience in the aggregates industry, starting at Bardon Hill Quarries Ltd, where he became CEO in 1985. Peter expanded the group, which went on to become Aggregate Industries plc and led the negotiations which resulted in its successful acquisition by Holcim in 2005.

Simon Vivian (Chief Executive Officer) has over 20 years' experience in aggregates and construction. Most recently he was CEO of Mowlem plc and negotiated the takeover of Mowlem by Carillion plc in 2005. Prior to Mowlem, Simon worked in a number of roles at Hanson plc, ultimately as CEO of its European Building Materials business.

Ian Peters (Finance Director) has more than 20 years' experience in the international building materials industry, initially in financial controller roles within the UK aggregates business of Hanson. Following the demerger of Hanson PLC in 1997, Ian was appointed group financial controller, and was involved in the completion of £2.5 billion of acquisitions. He went on to become finance and development director of Hanson Building Materials Europe between 2000 and 2003. After a year as finance director, for Continental Europe and Asia, in 2004 Ian was appointed general manager, Continental Europe.

#### Progress over the Period:

Marwyn Materials are continuing to pursue their acquisition strategy and are actively reviewing a number of opportunities within the building materials sector

#### Investment Performance:

During the 6 month period to 30 June 2009 Marwyn Materials' share price fell from 16.5p to 15.25p

**Company:** Melorio plc ("Melorio")

**Sector:** Support Services

**Ticker:** MLO LN

Strategy and Opportunity:

Melorio has identified the opportunity to consolidate the leading private providers delivering training to certain identified sectors. Addressing the UK skills deficit through vocational training is a key government initiative; representing a strong and expanding market with the total 2009-2010 government funding budget up 5.2% to £12.2bn.

Management Biography:

Hugh Aldous (Chairman) has over 25 years experience as a director of a number of listed and private companies, is a former Chairman of CILNTEC (the City of London's TEC) and Inspector into company affairs for the Department for Business, Enterprise and Regulatory Reform (then the Department of Trade and Industry).

Alex Sheffield (CFO) is a former partner at boutique investment bank Livingstone Partners; he has extensive transactional experience in vocational training sector including the sale of HCTC Limited to VT Group plc and the sale of Sheffield Trainers Limited to Sovereign Capital.

Progress over the period:

The company reported excellent underlying performance in its first full financial year to 31 March 2009, growing basic adjusted EPS from 6.8p to 18.5p.

Investment Performance:

The share price rose from 65p to 147.5p during the period.

**Company: Praesepe plc ("Praesepe")**

**Sector: Gaming**

**Ticker: PRA LN**

**Strategy and Opportunity:**

Praesepe's strategy is to consolidate the fragmented low-stake, high-volume ("LSHV") gaming market in the UK and Europe and to build a diversified gaming group including gaming machines, bingo and sports book/pool betting operations. Praesepe's pipeline of acquisition opportunities ranges from smaller transactions through to larger medium-to-longer term transformational opportunities; the strength of the pipeline is driven by the current challenging operating environment (in particular following the implementation of the smoking ban in England and changes to machine regulations in July 2007 and September 2007, respectively) and management's relationships within the industry.

**Management Biography:**

Nick Harding, Praesepe's CEO is one of the leading UK gaming sector managers with relevant experience at Talarius plc, Rank Group, Ladbrokes and Corals. Nick is a past President of BACTA (trade association), a trustee of the Responsibility in Gambling Trust, an advisor to GamCare and was the founding chairman of iGGBA (the UK's first interactive gaming association) and accordingly is well known and respected in the industry. Nick is supported by CFO Matthew Proctor. Matthew joined Praesepe in February 2009 from Gala Coral, a market leader in the UK gaming industry where he was the Group Finance Director.

**Progress over the period:**

The Department for Culture Media and Sport ("DCMS") announced in January 2009 its intention to increase the maximum stakes and prizes of Category C machines from 50p and £35 to £1 and £70, respectively. This change represented the single largest to impact Category C machines for thirty years and is expected to provide a significant boost to an industry which is still recovering from the impacts of the smoking ban, implementation of the Gambling Act in the UK and the current economic climate. The changes to Category C stakes and prizes were implemented in June 2009 and are expected to result in like-for-like revenue growth of up to 20 per cent. for such machines.

In March 2009, Praesepe successfully raised £5.1m through the placing of 51 million shares at 10p each to part-fund acquisitions, explore other potential investment opportunities, strengthen the company's balance sheet and invest in new Category C machines.

Praesepe announced the acquisition of Issue Depth Limited, an operator of six AGCs in the North of England, in June 2009 for £1.5m. This acquisition, combined with the 31 venues which were acquired in July 2008 and four greenfield openings, brings the total number of AGC venues to 40.

#### Investment Performance:

During the period to 30 June 2009, Praesepe share price rose from 10.5p to 14.0p.

**Company:** Silverdell Plc ("Silverdell")

**Sector:** Support Services

**Ticker:** SID LN

#### Strategy and Opportunity:

Silverdell has identified the opportunity to consolidate key businesses within this high growth, fragmented sector. Its ultimate objective is to create a nationwide, full service provider capable of delivering environmental, remediation and consultancy services across diverse end user markets including government, retail, utilities, nuclear, marine and petrochemical. Its core asbestos services market is growing at c.15%, driven by regulatory requirements and the increasing threat of litigation.

#### Management Biography:

Stuart Doughty (Executive Chairman) has over 40 years' experience in the construction industry and from 2001 to 2005 served as Chief Executive Officer of Costain Group Plc. Previously he was a director of Alfred McAlpine Construction Limited, Tarmac Construction Limited and Managing Director of John Laing Construction Limited.

Sean Nutley (CEO) has over 20 years in both operational and managerial roles in the industry with Silverdell (UK) Limited.

Progress over the period:

Silverdell completed a £5.5m equity fund raise (in which the Marwyn Neptune Fund participated) and successfully refinanced the business repaying £4.5m of its existing banking facilities leaving a balance of £6.7m together with a £2m overdraft. Revenue growth in the first half of its financial year (to 31 March) was 9% ahead of the previous year but high overhead and one-off costs impacted the EBITDA, which declined from £1.1m to £600k.

Investment Performance:

The share price declined from 16.5p to 7p during the period. The equity fund raise was undertaken at 5p.

**Company: Zetar plc ("Zetar")**

**Sector: Speciality Confectionary**

**Ticker: ZTR LN**

Strategy and Opportunity:

Zetar has identified the opportunity to acquire businesses operating in the confectionery, snack foods and related sectors. The fragmented nature of the European confectionery market, an increased demand for healthier snack products, and increasing industry regulation have presented an opportunity for consolidation. Zetar is now the UK market leader in advent calendars and the UK's fourth largest Easter egg manufacturer.

Management Biography:

Ian Blackburn has been CEO since Zetar was listed in January 2005. Between 1998 and 2003 Ian was Chief Executive and, before that, Finance Director of Perkins Foods.

Clive Beecham, joined the Board in April 2005 and has been Group Managing Director since July 2006. He was a co-founder of Kinnerton in 1978 and has been its Managing Director since

that time. He continues to have board responsibility for the Kinnerton Group as well as leading Zetar's operational initiatives related to product, packaging and customers.

#### Progress over the Period:

Zetar announced in May 2009 that it had sold its loss-making Baked Snacks for an initial consideration of £0.6m, with potential deferred consideration of up to a further £2.1m over three years. In its preliminary results for the year ended 30 April 2009 the company announced revenues from continuing operations up 8.6% to £118.6 million but a reduction in operating profit by £2.6m to £6.1m, primarily as a result of foreign exchange pressure and start-up costs relating to expanded production facilities in the UK and Ireland.

#### Investment Performance:

The share price declined from 162.5p to 157.5p during the period as a result of difficult equity market conditions.

## RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

(a) the Condensed Set of Financial Statements has been prepared in accordance with IAS 34 - Interim Financial Reporting;

(b) the Chairman's Statement and Interim Management Report, Investment Manager's Report and Notes to the Financial Statements include:

\* a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

\* a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

David Williams  
Chairman

Robert Ware  
Non-Executive Director

19 August 2009

# INCOME STATEMENT - FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009

	For the six month period ended 30 June 2009 (unaudited)			For the six month period ended 30 June 2008 (unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>INCOME</b>						
Bank interest	1,205	-	1,205	6,270	-	6,270
Excess of net assets acquired over cost	-	-	-	-	8,418,391	8,418,391
Gain/(Loss) on investments held at fair value through profit or loss	-	16,588,952	16,588,952	-	(11,554,378)	(11,554,378)
	<u>1,205</u>	<u>16,588,952</u>	<u>16,590,157</u>	<u>6,270</u>	<u>(3,135,987)</u>	<u>(3,129,717)</u>
<b>EXPENSES</b>						
Directors' fees	28,556	-	-	26,269	-	26,269
Administration fees	26,509	-	-	40,051	-	40,051
Legal and professional fees	295,086	-	-	8,490	-	8,490
Regulatory expenses	2,829	-	-	7,410	-	7,410
Audit fees	6,918	-	-	9,484	-	9,484
Registrars fees	3,368	-	-	3,026	-	3,026
Exempt fee	898	-	-	600	-	600
Formation expenses	-	-	-	-	-	-
Other expenses	15,273	-	-	11,117	-	11,117
	<u>379,437</u>	<u>-</u>	<u>379,437</u>	<u>106,447</u>	<u>-</u>	<u>106,447</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<u>(378,232)</u>	<u>16,588,952</u>	<u>16,210,720</u>	<u>(100,177)</u>	<u>(3,135,987)</u>	<u>(3,236,164)</u>

**INCOME STATEMENT - FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009 (CONTINUED)**

Return per Ordinary Share -

basic (pence per share)	(0.46)	20.19	19.73	(0.26)	(8.26)	(8.52)
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Return per Ordinary Share -

diluted (pence per share)	(0.46)	20.19	19.73	(0.26)	(8.26)	(8.52)
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All items in the above statement derive from continuing operations. The Condensed Notes to the unaudited financial statements form an integral part of these financial statements.

**BALANCE SHEET**  
**30 JUNE 2009**

	<b>30 June 2009 (unaudited) £</b>	<b>31 December 2008 (audited) £</b>
<b>NON-CURRENT ASSETS</b>		
Unquoted investments held at fair value through profit or loss	73,048,615	56,659,663
<b>CURRENT ASSETS</b>		
Prepayments	12,027	2,283
Cash and cash equivalents	<u>72,837</u>	<u>80,131</u>
	<u>84,864</u>	<u>82,414</u>
<b>TOTAL ASSETS</b>	<u>73,133,479</u>	<u>56,742,077</u>
<b>CURRENT LIABILITIES</b>		
Accruals	<u>(275,291)</u>	<u>(94,608)</u>
<b>NET ASSETS</b>	<u>72,858,189</u>	<u>56,647,469</u>
<b>EQUITY</b>		
Called up share capital	8,215,647	8,215,647
Share premium	43,780,480	43,780,480
Special distributable reserve	26,346,979	26,346,979
Warrant reserve	4,392,660	4,392,660
Capital reserve - Unrealised	(9,025,843)	(25,614,795)
Revenue reserve	<u>(851,734)</u>	<u>(473,502)</u>
<b>TOTAL EQUITY</b>	<u>72,858,189</u>	<u>56,647,469</u>
NAV per Ordinary share - basic and diluted (pence per share)	88.68	68.95

The Condensed Notes to the unaudited financial statements form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 19 August 2009.

David Williams  
Chairman  
19 August 2009

Robert Ware  
Non-Executive Director  
19 August 2009

**STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**

	<b>Called up share capital £</b>	<b>Share premium £</b>	<b>Special distributable reserve £</b>	<b>Warrant reserve £</b>	<b>Series One Warrant Reserve £</b>	<b>Series Two Warrant Reserve £</b>	<b>Capital reserve £</b>	<b>Revenue reserve £</b>	<b>Total £</b>
As at 1 January 2009	8,215,647	43,780,480	26,346,979	4,392,660	-	-	(25,614,795)	(473,502)	56,647,469
Issue of Ordinary Shares and Warrants	-	-	-	-	-	-	-	-	-
Amalgamation expenses	-	-	-	-	-	-	-	-	-
(Loss)/Profit for the period	-	-	-	-	-	-	16,588,952	(378,232)	16,210,720
As at 30 June 2009	<u>8,215,647</u>	<u>43,780,480</u>	<u>26,346,979</u>	<u>4,392,660</u>	<u>-</u>	<u>-</u>	<u>(9,025,843)</u>	<u>(851,734)</u>	<u>72,858,189</u>

The Condensed Notes to the unaudited financial statements form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008 (UNAUDITED)**

	<b>Called up share capital £</b>	<b>Share premium £</b>	<b>Special distributable reserve £</b>	<b>Warrant reserve £</b>	<b>Series One Warrant Reserve £</b>	<b>Series Two Warrant Reserve £</b>	<b>Capital reserve £</b>	<b>Revenue reserve £</b>	<b>Total £</b>
As at 1 January 2008	3,300,000	-	26,346,979	-	1,015,866	852,017	9,909,330	(119,491)	41,304,701
Issue of Ordinary Shares and Warrants	4,915,647	44,486,609	-	4,431,235	(1,015,866)	(852,017)	-	-	51,965,608
Amalgamation expenses	-	(706,129)	-	(38,575)	-	-	-	-	(744,704)
Loss for the period	-	-	-	-	-	-	(3,135,987)	(100,177)	(3,236,164)
As at 30 June 2008	8,215,647	43,780,480	26,346,979	4,392,660	-	-	6,773,343	(219,668)	89,289,441

The Condensed Notes to the unaudited financial statements form an integral part of these financial statements.

**CASH FLOW STATEMENT  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009**

	For the six month period 30 June 2009 (unaudited)	For the six month period 30 June 2008 (unaudited)
	£	£
Net cash outflow from operating activities	(207,294)	(811,805)
Net cash inflow/(outflow) from investing activities	<u>200,000</u>	<u>(720,000)</u>
Net cash outflow before financing	(7,294)	(91,805)
Net cash inflow from financing activities	<u>-</u>	<u>135,391</u>
(Decrease)/ Increase in cash and cash equivalents	<u>(7,294)</u>	<u>43,586</u>
Cash and cash equivalents at beginning of period	<u>80,131</u>	<u>273,834</u>
Cash and cash equivalents at end of period	<u><u>72,837</u></u>	<u><u>317,420</u></u>

The Condensed Notes to the unaudited financial statements form an integral part of these financial statements.

## **CONDENSED NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009**

### **Significant accounting policies**

#### **Basis of preparation**

The condensed set of Financial Statements included in this interim report has been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting', as adopted by the European Union and in accordance with the Statement of Recommended Practice for Financial Statements issued by The Association of Investment Companies. The accounting policies, presentation and methods of computation followed in this condensed set of Financial Statements are consistent with that of the latest annual audited Financial Statements for the year ended 31 December 2008.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in January 2003 (revised December 2005) is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. In particular, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the total Income Statement.

The condensed set of Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Company's Annual Report and Financial Statements for the year ended 31 December 2008.

The Company does not operate in an industry where significant or cyclical variations as a result of seasonal activity are experienced during the financial year.

#### **Income statement**

The total column of the income statement is the profit and loss account of the Company. The capital and revenue columns provide supplementary information which has been prepared using the presentational format of the Statement of Recommended Practice 'Financial statements of investment trust companies' ('SORP') issued by the Association of Investment Companies.

#### **New accounting policies**

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

– IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner change in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be

shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present one statement: an income statement. The interim financial statements have been prepared under the revised disclosure requirements but have had no impact.

– IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in any change to the presentation. The Directors are of the opinion that the Company is engaged in a single geographic and economic business segment. The Company holds one investment in a Cayman Island Limited Partnership.

The International Accounting Standards Board's Annual Improvements Project was published in May 2008, with the majority of changes being applicable for the period commencing 1 January 2009. The project made minor amendments to a number of standards, primarily with a view to removing inconsistencies and clarifying wording. The amendments to these standards did not have any impact on the accounting policies, financial position or performance of the Company.

## 1. RELATED PARTY TRANSACTIONS

The Directors, together with their beneficial interests and those of their families, held the following interests in the Ordinary Shares or Warrants of the Company at 30 June 2009, and there have been no changes in their interests from 30 June 2009 to the date of approval of this interim report.

	<b>Ordinary Shares</b>	<b>New Warrants</b>
David Jeffreys Williams	917,430	157,950
Robert Thomas Ernest Ware	458,715	78,975
James Corsellis	Nil	Nil
Paul Everitt	Nil	Nil
Michael Price	Nil	Nil

The emoluments of the individual Directors for the period were:

	2009	2008
	£	£
David Jeffreys Williams	-	-
James Corsellis	-	-
Robert Thomas Ernest Ware	10,000	5,461
Paul Everitt**	3,667	-
Michael Price**	4,889	-
David John Warr*	5,000	10,404
Ian Geoffrey Clarke*	5,000	10,404
	<hr/> 28,556	<hr/> 26,269

The above fees do not include reimbursed expenditure.

\* Resigned 3 April 2009, \*\* Appointed 3 April 2009.

## 2. LEGAL AND PROFESSIONAL FEES

In connection with the re-organisation and migration of the Company, £264,514 legal and professional fees were charged to the Company in the period (30 June 2008: £NIL).

## 3. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

The earnings per Ordinary Share for the period has been calculated on a weighted average basis and is arrived at by dividing the net (loss)/ profit for the period by the weighted average number of Ordinary Shares in issue. The weighted average number of Ordinary Shares is 82,165,473 (30 June 2008: 37,962,186).

## 4. DIVIDEND

The Directors do not recommend an interim dividend. As the Company's investment objective is based on capital appreciation it expects to re-invest or distribute realised returns from investments consistent with its investment strategy.

## 5. SUBSEQUENT EVENTS

The Company completed its re-organisation and migration to the Cayman Islands on 8 July 2009. Each Ordinary Share of 10p in the capital of the Company was sub-divided into one Ordinary Share of 0.0001p and one Deferred Share of 9.9999p. The Deferred Shares were

subsequently repurchased and cancelled leaving the Company with 82,156,473 Ordinary Shares in issue.

As part of the reorganisation, the Company together with the Marwyn Neptune Fund LP (the 'Master Fund'), Marwyn Value Investors (Pte) Limited (the 'Unlisted Fund' - a new unlisted company incorporated in the Cayman Islands), Marwyn General Partner Limited (the 'General Partner') and Axio Capital Solutions Limited (the 'Exchange Administrator'), have put in place an innovative procedure to enable Investors to move between the Company and the Master and Unlisted Funds.