



MARWYN VALUE INVESTORS LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

MARWYN

MARWYN VALUE INVESTORS LIMITED

CONTENTS

Investment policy and performance summary	1
Report of the Chairman	3
Report of the Manager	5
Report of the directors	12
Report of the independent auditor	19
Statement of comprehensive income	20
Statement of financial position	21
Statement of cashflows	22
Statement of changes in net assets attributable to equity holders of the Company	23
Notes to the financial statements	24
Risk	34
Advisers	39

MARWYN VALUE INVESTORS LIMITED

INVESTMENT POLICY AND PERFORMANCE SUMMARY

Investment objective

The investment objective of Marwyn Value Investors Limited (LSE: MVI) (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 Market of the London Stock Exchange.

Investment policy

The Company seeks to achieve its investment objective by investing up to 100% of its available capital into Marwyn Value Investors LP (the "Master Fund" or the "Fund") through the acquisition of limited partnership interests in the Master Fund. The Company's ordinary capital is invested in Class F partnership interests, and from 11 December 2015 Class G partnership interests of the Master Fund.

Although there are no investment restrictions for either the Company or the Master Fund, the Master Fund's strategy is to identify, support, invest in and work alongside experienced operational management teams in mid cap businesses headquartered in the UK, Europe or North America (target enterprise value at entry of £150 million to £1.5 billion) through multi-year active participation where Marwyn's day-to-day collaborative involvement with management significantly enhances strategic alignment.

The Master Fund is permitted to make both direct or indirect follow-on investments in existing companies which have issued the securities comprising the portfolio of investment assets held directly or indirectly by the Master Fund ("Portfolio Companies") and investments in new Portfolio Companies. It 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 ongoing holders of ordinary shares.

Investment strategy

Overview

Marwyn's strategy is to identify, support, invest in and work alongside experienced operational management teams in mid-cap businesses headquartered in the UK, Europe or North America, often with global operations.

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 frequently works closely with them on-site for 6-12 months prior to an initial acquisition. The teams Marwyn works with leverage their extensive industry networks and expertise in the identification of proprietary acquisition opportunities and in assembling a preeminent management team around them. Working together with management, Marwyn refines the strategy, identifies targets and conducts 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 "buy-and-build" 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.

MARWYN VALUE INVESTORS LIMITED

INVESTMENT POLICY AND PERFORMANCE SUMMARY

The Manager

Marwyn Asset Management Limited (the "Manager") is the manager of the Company and all other Marwyn funds. 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.

Performance summary

Key performance features for the 12 months ended 31 December 2015 are as follows:

The Net Asset Value ("NAV") per ordinary share decreased by 19.39% during the year. The reduction in NAV per ordinary share over the year is primarily

attributable to falls in share price of Entertainment One Ltd, Zegona Communications plc and Marwyn Management Partners plc, partially offset by share price gains in the share prices of BCA Marketplace plc and Gloo Networks plc.

The £28.3m loss recognised in the statement of comprehensive income from the Company's investment in the Master Fund results from the transactions and movements in the underlying investment portfolio of the Master Fund. Of this, approximately £21 million relates to the loss on sale of Entertainment One Limited reflecting the fall in share price from 31 December 2014. Despite this share price movement, over the life of the investment, Entertainment One delivered a crystallised cash multiple of 4.3x and an IRR of 20.8%. Marwyn Management Partners plc and Zegona Communications plc contributed approximately £8 million and £3 million of the total unrealised loss respectively, whilst BCA Marketplace plc contributed an unrealised gain of approximately £4 million based on movements in the underlying share prices. Further details of each of these investments are provided in the Report of the Manager.

The NAV has increased by 207.95% since inception in March 2006, compared with an increase in value of the FTSE All-Share Index of 15.76% over the same period.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE CHAIRMAN

I am pleased to present to the shareholders the audited Annual Report and financial statements of the Company for the year ended 31 December 2015.

Fundraising

On 11 December 2015, the Company raised £50 million (before expenses) pursuant to a placing of ordinary shares approved by shareholders. The net proceeds were used to subscribe for new Class G interests in the Master Fund, and subsequently invested by the Master Fund in accordance with the Master Fund's investment strategy. The expected benefits of the placing are i) to enable the Master Fund to diversify its portfolio, ii) to provide additional capital to support follow-on fundraises undertaken by existing Portfolio Companies, thereby preventing dilution to the Company, and iii) broaden the Company's investor base to enhance the size and liquidity of its share capital.

Returns to investors

At the December 2015 EGM to approve the fundraising, shareholders also approved a new distribution policy (the "New Distribution Policy") and the payment of a special distribution of 2p per ordinary share which was made in January 2016. Pursuant to the New Distribution Policy, a quarterly interim dividend of 2.064p per ordinary share was made in January 2016 and a minimum dividend payment will be made quarterly in January, April, July and October of each year (amending the previous distribution policy of an annual minimum capital return in January). The returns in relation to Net Capital Gains and the realisation opportunities under the distribution policy remain unchanged, details of which are provided in Note 10 to these financial statements. To the date of this report, a total of £29,130,989 has been returned to ordinary shareholders since the implementation of the original distribution policy in November 2013. In 2015, aggregate distributions represented a total yield to investors of 15.4%, based on the closing price of the Company's ordinary shares at 31 December 2015. Further information regarding these distributions is contained in Notes 10 and 17 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 price to the Company's NAV per ordinary share on a regular basis as we are committed to exploring, and where appropriate pursuing, opportunities to reduce the discount.

Following the fundraising and the disposal of the Master Fund's holding in Entertainment One (details

are provided in Note 10 and the Report of the directors), the discount to NAV per ordinary share as at 31 December 2015 was 10.73%. This represents a significant reduction in the discount to NAV per ordinary share as at 31 December 2014, of 28.29%.

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 2015 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") 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"). 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 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. Pursuant to the Facility, a commitment fee of 0.6% is payable on all undrawn amounts and interest at a rate of 3 month LIBOR plus 2.1% is payable on all drawn amounts. During 2015, the Master Fund repaid all outstanding balances on the Facility, although the Facility still remains in place for future use as required.

Outlook

The Board believes that the Company offers a unique and attractive proposition for investing in actively managed investment opportunities and acquisition-led growth strategies in selected industries as has recently been demonstrated through the investments in BCA Marketplace plc, Zegona Communications plc, and Gloo Networks plc. These investments are all early stage and it is anticipated that attractive investment opportunities will arise in relation to these in the short to medium term. The Master Fund has sufficient cash to make follow-on investments in these companies, or pursue new investment opportunities as they arise. Accordingly, the Board further believes that the Company is well placed to continue to deliver significant investment returns to shareholders.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE CHAIRMAN

Performance of ordinary shares

The NAV per ordinary share of the Company decreased during the year by 57.5p to £2.39165, a decrease of 19.39%. As at 31 December 2015, the discount of the share price to NAV per share was 10.73%, a decrease over the year from 28.29% as at 31 December 2014. Since inception, the Company has generated a NAV return of 207.95%, versus 15.76% for the FTSE All-Share index. Further details are provided in the Performance summary on page 2.

	NAV	FTSE All-Share
Year (to 31/12/2015)	-19.39%	-2.50%
Since inception ¹ (1/3/2006 to 31/12/2015)	+207.95%	+15.76%

Robert Ware
Chairman
6 April 2016

¹ Illustrative performance excludes issue costs and takes into account the performance of the respective share classes of Marwyn Value Investors I, II and B ordinary shares prior to their amalgamation to form the ordinary share class of the Company and the impact of the amalgamation. If issue costs are taken into consideration the equivalent performance would be 192.56%.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

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, a limited partnership with one or more feeder vehicles at any time, including 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 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 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 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 Master Fund's and the Company's control that could cause the actual results, performance or achievements of the 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 Master Fund's and the Company's present and future business strategies and the environment in which the 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 23 November 2015.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

The Manager is pleased to present its 2015 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 £1.5 billion headquartered in the UK, Europe or North America.

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 valuation 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 three to 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 and to discuss assets that are up for disposal.

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;
- Exit investments at an attractive multiple to original invested capital

Investment performance

To 31 December 2015, 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 20.2% on a total of approximately £2.7 billion of invested equity.

Ordinary shares

We believe that the current Portfolio Companies offer a significant potential for growth. During 2015, both Zegona Communications plc and BCA Marketplace plc were listed on the London Stock Exchange ("LSE") Main Market, and Gloo Networks plc was admitted to AIM. The early stage of each of these investments represents strong opportunity for growth, with each actively pursuing further investment and acquisition targets. Our strong cash position enables us to invest in these follow-on opportunities, or invest in alternative companies as they are identified.

Allocation of Marwyn Value Investors Limited NAV by company

Based upon the Company's investments in the Master Fund, the Company's total NAV is broken down across the following companies in the following percentages as at 31 December 2015:

Ordinary shares

Company	Ticker	Sector	% of NAV
Zegona Communications plc	ZEG LN	European TMT	32.68%
BCA Marketplace plc	BCA LN	Automotive	12.66%
Marwyn Management Partners plc	MMP LN	Luxury Goods	9.68%
Gloo Networks plc	GLOO LN	Media	5.82%

Other assets of the Master Fund	57.54%
Liabilities of the Master Fund	-18.38%
Net assets	100.00%

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

INVESTMENTS

Company: Zegona Communications plc
("Zegona")
Sector: TMT
Ticker: ZEG-LN
Website: www.zegona.com
% ownership: 23.8% (as at 31-Dec-15)
Average entry price per share: 143.57p

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.

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:

Zegona's shares were admitted to trading on AIM on 19 March 2015 with the support of leading institutional investors raising £30 million to provide due diligence and operating capital prior to a subsequent acquisition.

On 27 July 2015, Zegona announced it had reached an agreement with The Carlyle Group and Liberbank S.A. to acquire Telecable De Asturias S.A. ("Telecable"), 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 over 164,000 residential and business customers, and operates a network of over 2,400 km of fibre optic cable and 2,600 km of coaxial cable, reaching more than 450,000 homes across Asturias.

To fund the acquisition Zegona raised c.£251 million of equity from a range of blue-chip international investors including Fidelity, Standard Life, AXA Framlington, Capital Research and Invesco, as well as arranging a debt facility with Goldman Sachs. As part of the equity raising, the Master Fund invested a further £55 million into Zegona, and now holds 23.8% of the enlarged group.

On 31 July 2015, Zegona announced it had appointed Murray Scott to the board as an independent non-executive director. Murray previously held senior management roles across various telecommunication companies including BT Global Services, Equant NV, and Interoute Telecommunications plc.

On 29 September 2015, Zegona's shares were admitted to the Official List of the UKLA (by way of a standard listing) and were admitted to trading on the LSE's main market for listed securities. Zegona confirmed the cancellation of trading its ordinary shares on the AIM market of the LSE.

On 9 November 2015, Zegona announced the appointment of Richard Williams to the board as an independent non-executive director. Richard was previously director of Investor Relations at Altice, and prior to that, Virgin Media.

On 14 January 2016, Moody's assigned Telecable a rating of B1, the highest rating of any European TMT company of its size.

Performance:

From listing on AIM on 19 March 2015 to 31 December 2015, Zegona's share price increased from 120.0p to 135.5p, an increase of 12.92%.

Zegona's directors believe Telecable represents a compelling investment because of its market leading position in Asturias and strong cash generation, coupled with attractive dynamics in the Spanish telecoms market and Spanish economy. On 8 March 2016, Zegona's 2015 results were released, reported that Telecable delivered revenues of €134.4 million, EBITDA of €65.0 million and Cash Flow of €36.1 million*.

*Telecable unaudited pro forma results derived from management accounts.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

Company: BCA Marketplace plc
("BCAM plc")
Sector: Automotive
Ticker: BCA-LN
Website: www.bcamarketplaceplc.com
% ownership: 1.82% (as at 31-Dec-15)
(2.33% following share purchase on
16-Feb-16)
Average entry
Price per share: 134.11p (as at 31-Dec-15)
(149.51p following share purchase
on 16-Feb-16)

BCAM plc (formerly Haversham Holdings plc) is a group formed by Avril Palmer-Baunack (Executive Chairman) and Marwyn to create value for its investors through the acquisition and subsequent development of target businesses.

Mark Brangstrup Watts and James Corsellis are non-executive directors of BCAM plc as well as being non-executive directors of the Manager and 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. 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:

In March 2015, the proposed acquisition of the BCA Group was announced and the company was renamed BCA Marketplace plc. On 2 April 2015, the acquisition was completed and trading of the company's shares moved from AIM to the standard listing segment of the Official List of the LSE.

The BCA Group owns and operates Europe's largest used vehicle marketplace, providing vehicle remarketing and/or vehicle buying services across 12 countries in Europe. The BCAM plc directors consider that this provides the business with an extremely robust position in a market forecast to grow strongly in the coming years, as recent growth in new car sales translates into increased volumes of used car transactions. Furthermore, the BCAM plc directors expect changes in the European automotive market, in particular trends towards consumers purchasing cars on personal contract purchases ("PCPs"), to drive greater volume through car auctions, increasing demand for the BCA Group's services.

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 changes in the marketplace.

The BCAM plc directors consider the business to be a well-managed, high quality operation providing an essential liquidity function to buyers and sellers of vehicles in its chosen markets. They believe that the strength of this position, coupled with its ability to capture a significant part of the growth that the directors expect the auction market in Europe to experience, made it a very attractive acquisition opportunity for the company.

On 1 June 2015, BCAM plc announced the acquisition of Scottish Motor Auctions ("SMA"). BCAM plc also announced the successful syndication of its existing £200 million term loan and £100 million revolving credit facility and, following strong lender support, a £75 million extension to the term loan providing additional headroom for future projects.

On 11 June 2015, BCAM plc announced the appointment of Tim Lampert as CFO and Tim Richmond as Head of Investor Relations.

On 30 November 2015, BCAM plc released its Interim Report for the results of the company for the nine months ended 4 October 2015, reflecting the six month trading period following the acquisition of the BCA Group. The financial highlights included statutory revenue of £546.3 million and adjusted EBITDA of £49.2 million which it reported were "at the upper end of market expectations".

In February 2016, an additional 4,361,974 ordinary shares of BCAM plc were acquired, increasing our beneficial ownership to 2.33% of the issued share capital.

Performance:

During the twelve month period to December 2015, BCAM plc's share price increased from 126.5p at 31 December 2014 to 172.75p, an increase of 36.56%

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

Company: Marwyn Management Partners
plc ("MMP")
Sector: Luxury Goods
Ticker: MMP-LN
Website: www.marwynmp.com
% ownership: 90.09% (as at 31-Dec-15)
Average entry
Price per share: 6.22p

MMP is a holding company listed on AIM, a market of the London Stock Exchange, established to acquire interests in one or more operating companies or businesses. We are MMP's largest shareholder with a 90.1% stake.

MMP is the majority shareholder in Le Chameau, the French premium rubber boot company. Le Chameau is 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 whilst the UK market is also a key immediate priority for the business.

Mark Brangstrup Watts and James Corsellis are directors of MMP. Robert Ware, the Chairman of the Company, is also the Chairman of MMP.

MMP Strategy:

MMP is a corporate vehicle launched to pursue acquisition led growth strategies. Listed on the Main Market of the LSE in January 2011, and relisted on AIM in July 2014, MMP will acquire controlling and non-controlling interests in public and private companies, to be operated by management teams with proven industry track records, handpicked by Marwyn. By investing in and working alongside the best management teams, MMP will deliver significant capital value through the execution of its "buy and build" strategies.

MMP's current focus is on the luxury goods business, Le Chameau.

Progress over the period:

The Le Chameau management team developed a cohesive five year business plan for which additional funding was raised. On 3 March 2015, £11 million of new ordinary shares in MMP were acquired (of a total issue of £11.65 million) in order to provide MMP with capital to support the Le Chameau business plan.

On 29 September 2015, the interim results for the six month period to 30 June 2015 were released. MMP confirmed that Le Chameau's implementation of an omni-channel sales strategy had been initiated with the termination of its UK distributor agreement and the recruitment of a direct sales team in the UK. Investment continues in product development with boot products aimed at existing and new customer segments expected to launch in 2016. It was also reported that the implementation of the new IT (ERP) system had begun and is on track for delivery in Q2 2016 with the system providing alignment between each area of the business and to allow the business to achieve greater scale.

Performance:

During the twelve month period to 31 December 2015, MMP's share price fell from 4.25p to 2.75p, a decrease of 35.29%.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE MANAGER

Company: Gloo Networks plc ("Gloo")
Sector: Media
Ticker: GLOO LN
Website: www.gloonetworks.com
% ownership: 34.9% (as at 31-Dec-15)
Average entry
Price per share: £1.20

Gloo is a technology company established to acquire and operate companies in the media sector, with the aim of connecting some of the world's most-loved content with its most-valued consumers.

At a time of industry convergence, Gloo intends to acquire trusted consumer brands in the media sector and marry content creation, sophisticated technology and data analysis capabilities to unlock value for shareholders and consumers.

Gloo strategy:

Gloo Networks will pursue content creation, in association with sophisticated data mining and analysis capabilities, to connect highly targeted (and consequently highly valuable) consumers and brands. It intends to acquire trusted consumer brands in the media sector that appeal to attractive socio-economic groups, and to use data and technology to change their business models to ultimately unlock value and increase profitability.

The Company intends to acquire and run businesses initially with an enterprise value in the range of £250 million to £1 billion and will be led by digital transformation experts Rebecca Miskin (Chief Executive Officer), Juan Lopez-Valcarcel (Chief Product and Operations Officer) and Arnaud de Puyfontaine (Non-Executive Chairman). Rebecca has 23 years of international business experience. She joined Gloo from Hearst Magazines UK, the publisher of Cosmopolitan, Elle and Men's Health, where she worked between 2010 and 2014 acting as Digital Strategy Director and Change Agent. Juan has a 19 year track record in international digital products and operations, most recently as Chief Digital Officer for Pearson International. Pearson is the world's largest education company by revenue, the owner of stakes in Penguin Random House, and was, at the time, the parent company of the Financial Times and The Economist Group. Arnaud is Chief Executive of Vivendi, owner of Universal Music and Canal+, and a non-executive director of Schibsted.

Mark Brangstrup Watts and James Corsellis are directors of Gloo.

Progress over the period:

On 28 July 2015, Gloo announced its intention to list on AIM, with admission occurring 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. We are the cornerstone investor holding 34.9% of the equity immediately following admission.

On 15 December 2015, Gloo announced the appointment of Arnaud de Puyfontaine, Chief Executive of the French media group Vivendi, to the board as non-executive director.

Performance:

From listing on AIM on 11 August 2015 to 31 December 2015, Gloo's share price increased from 120.0p to 126.0p, an increase of 5.00%.

MARWYN VALUE INVESTORS LIMITED REPORT OF THE MANAGER

INVESTMENTS EXITED IN THE YEAR:

Company:	Entertainment One Limited ("eOne")
Sector:	Entertainment Rights
Ticker:	ETO LN
Website:	www.entertainmentone.com
IRR:	20.8%

Marwyn backed a proven management team to grow an established business to capitalise on the structural shift taking place within film distribution. eOne's strategy was to move up the value chain from physical distributor to content (IP) ownership and expand internationally, thereby offering an attractive alternative to major studio distributors for independent producers.

As part of Marwyn's day-to-day collaborative approach with management, Marwyn worked alongside management through eOne's rapid organic growth and 14 successful acquisitions across numerous geographies including multiple competitors, most notably Alliance Films in 2012.

eOne capitalised on a favourable market environment and successfully delivered on its strategy of transitioning to all-rights ownership with the business retaining IP rights across every channel to consumer and across multiple territories. This diversification and expansion brought economies of scale and protected the business from changes in platform popularity.

eOne grew to become a market leader in its key territories (notably Canada and the UK), with its global footprint extending across Europe, North America and Australia. The business secured long-term exclusive output deals with multi-acclaimed studios together with a large and diverse content library valued at over US\$1 billion. Revenue and EBITDA grew from £254 million and £12 million, respectively, at the time of the initial acquisition reaching revenue of £788.3 million and EBITDA of £128.8 million as forecast for FY16, the fiscal year of Marwyn's exit.

Having been the largest shareholder since IPO, and having held board positions throughout, Marwyn began to sell down its position in July 2015 through a structured process, with a final exit in September. The exit generated total gross aggregate proceeds of £229.9 million (of which, £165.4 million was attributable to the Company), crystallising a cash multiple of 4.3x and an IRR of 20.8%. Following the disposal, £15.3m was returned to the Company's shareholders.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their Annual Report and the audited financial statements for the year ended 31 December 2015.

Directors and their interests

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

Robert Ware
Ronald Hobbs
Louisa Bonney
Paul Everitt (resigned 8 May 2015)
Martin Adams (appointed 8 May 2015)

Robert Ware (Non-Executive Chairman)

Committee membership: Chairman of the Nomination Committee, member of the Remuneration Committee and Audit Committee.

Length of service: 10 years
Date of appointment: 3 October 2006
Last re-elected to the Board: 3 November 2015 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 London Stock Exchange 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, Marwyn Management Partners plc and Chalkstream Investment Company 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: Chairman of the Audit Committee, member of the Nomination Committee and Remuneration Committee.

Length of service: 2 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, is resident in South Africa and 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.

Louisa Bonney (Non-Executive Director)

Committee membership: Member of the Nomination Committee, Remuneration Committee and Audit Committee.

Length of service: 2 years
Date of appointment: 2 January 2014
Last re-elected to the Board: 17 September 2014 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 16 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, a provider of fund and corporate administration services in Jersey, which is the administrator of MVIL.

Louisa is also an executive director of the Company's manager, Marwyn Asset Management Limited, 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 Investment Management Limited, Marwyn Value Investors (Unlisted Feeder) Limited, Marwyn Value Investors (pte) Limited, Marwyn Management General Partner Limited, Marwyn Long Term Incentive GP Limited, Marwyn Asset Management SPC and Marwyn LTIP GP Limited

Martin Adams (Non-Executive Director)

Committee membership: Chairman of the Remuneration Committee, member of the Nomination Committee, and Audit Committee

Length of service: 10 months
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 and Vina Capital 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. Martin holds an MA in Economic Science from the University of Aberdeen, where, he specialised in International Economics, Economic Development and Public Finance.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

Directors' interests

The directors' interests in the ordinary shares of the Company were as follows as at 31 December 2015 and 31 December 2014 and to the date of approval of these financial statements.

	Ordinary shares 2015	Ordinary shares 2014
Robert Ware	474,999	432,180
Ronald Hobbs	Nil	Nil
Louisa Bonney	Nil	Nil
Martin Adams	40,000	Nil

In January 2016, Ronald Hobbs purchased 40,592 shares in the Company.

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 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 Specialist Fund Market of the London Stock Exchange 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 investment policy 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, investments and follow-on investments in BCAM, Zegona, Gloo and MMP 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 12 to the financial statements.

Directors' remuneration

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

	2015 £	2014 £
Robert Ware	45,000	26,250
Ronald Hobbs	40,000	40,000
Louisa Bonney	40,000	40,000
Martin Adams	25,854	Nil
Paul Everitt	34,210	40,000
	<u>185,064</u>	<u>146,250</u>

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

Results

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

Share capital

As at 31 December 2015, the Company had 79,292,032 ordinary shares in issue (31 December 2014: 64,065,256).

Capital Returns and dividends

On 19 January 2015, under the progressive distribution policy for holders of ordinary shares adopted in November 2013, the Company made a partial cash redemption of 1,782,526 ordinary shares, equal to a distribution of 8.255 pence per ordinary share.

Further detail is provided in Note 18 of these financial statements.

On 8 October 2015, the Company completed a return of capital pursuant to the distribution policy on net capital gains totaling £15,321,552 following the sale of the holding in Entertainment One Limited. Further details of the capital returns are included in Note 10.

As detailed in the Report of the Chairman, during December 2015 the Company announced a special distribution and quarterly interim dividend dates for 2016 under the revised progressive distribution policy for holders of ordinary shares, approved at the December 2015 EGM. In January 2016, the special distribution of 2p per ordinary share and the first quarterly dividend payment of 2.064p per ordinary share were paid to shareholders.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

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 and Class G of the Master Fund into which the Company invests. 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 (previously UBS 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.

As detailed in Note 13 to the financial statements, incentive allocations are payable by the Master Fund in respect of Class F and Class G 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 2015 and 31 December 2014 is set out below. The existing 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 2015	For the year ended 31 December 2014
	£	£
Fixed remuneration of entire staff of MAML	53,333	157,500
Number of beneficiaries	6	6

Total remuneration of staff involved in activities of the Company:

	For the year ended 31 December 2015	For the year ended 31 December 2014
	£	£
Fixed remuneration of staff involved in the activities of the Company	53,333	157,500
Number of beneficiaries	6	6

The amount paid in fixed remuneration relates to directors fees and the cost of time spent by staff on 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 2015	For the year ended 31 December 2014
	%	%
Proportion of time spent by the Manager specifically relating to the Company	36	30
Number of beneficiaries	6	6

The estimated allocation of time has been derived by considering the total number of hours spent by all six directors of the Manager and estimating, by director, 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 and Class G interests in the Master Fund will only be payable on returns being made, however, in relation to Class F interests, there are provisions allowing for the acceleration of incentive allocation payments due to retired partners, subject to performance criteria being met as detailed in the 2013 Circular.

During the year ended 31 December 2015, £6,687,890 was recovered by the Master Fund from the total uncrystallised incentive allocations relating to the ordinary shares in the Company (for the equivalent period to 31 December 2014, £6,023,104 was accrued). The total incentive allocations accrued as at 31 December 2015 amounted to £33,783,080 (2014: £40,470,970).

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

Three of the directors of the Manager are incentivised through the incentive allocation and 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 1 November 2013 in relation to the Company's investment in Class F of the Master Fund, and the Prospectus published on 23 November 2015 in relation to the Company's investment in Class G of the Master Fund. A summary of these documents is available on the Company's website. Disclosure of the amount of investment advisory fee is contained in Note 13.

Substantial shareholdings

At 31 December 2015 the following interests in 3% or more of the issued ordinary shares had been notified to the Company.

	Number of ordinary shares	Percentage of share capital
Invesco Asset Management	30,440,030	38.39
Lazard Asset Management LLC	6,669,899	8.41
Fidelity International Limited (FIL)	6,102,089	7.70
Gramercy Funds Management LLC	5,965,472	7.52
Barclays Funds Investments Limited	3,409,090	4.30
Insight Investment Management	3,070,000	3.87

Future prospects

The Board continues to believe that there is long-term value in the 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 did not conduct an effective audit.

PricewaterhouseCoopers 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.

Annual General Meeting

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

Corporate governance

As a Cayman company and under the rules of the Specialist Fund Market (SFM), 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.

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.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

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 as detailed earlier in the Report of the directors. 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.

Given the size and composition of the Board it is not currently felt necessary to appoint a senior independent director however this position will be 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 Company's Articles of Association. Each director is required to offer themselves for re-election at least every three years. As mentioned on page 12, 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.

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 Chairman does not regularly review and agree with each director their training and development needs as all of the directors are professionally qualified or regulated and are required by their relevant governing professional bodies or regulators to undertake continuing professional development. 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 amongst 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 2015, the Board met a total of nine times during the year, of which six meetings were ad hoc with three formal quarterly meetings held. In addition, the Audit Committee met three times, the Nomination Committee met twice and the Remuneration Committee 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.

Director:	Formal Board Meetings		Audit Committee		Nomination Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Robert Ware	9	5	3	3	2	2	2	2
Louisa Bonney	9	9	3	3	2	2	2	2
Paul Everitt	2	1	1	1	1	1	1	1
Ronald Hobbs	9	8	3	3	2	2	2	2
Martin Adams	6	5	1	1	1	1	1	1

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

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 all the directors of the Company and meets at least twice a year. Paul Everitt resigned from the Audit Committee on 8 May 2015; Martin Adams was appointed a member of the Audit Committee on 8 May 2015. 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 do 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.

Compliance with auditor independence is monitored on a regular basis and the Company's auditor is required to confirm its independence on an annual basis.

Nomination Committee

The Nomination Committee comprises all the directors of the Company and meets at least twice a year. Paul Everitt resigned from the Nomination Committee on 8 May 2015; Martin Adams was appointed a member of the Nomination Committee on 8 May 2015. 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, its 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 all the directors of the Company and meets at least once a year. Paul Everitt resigned from the Remuneration Committee on 8 May 2015; Martin Adams was appointed a member of the Remuneration Committee on 8 May 2015 and 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 stays informed of shareholders' views via regular updates from the Manager and Broker as to meetings and other communications they may have had with shareholders.

MARWYN VALUE INVESTORS LIMITED

REPORT OF THE DIRECTORS

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 control 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 (previously UBS 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 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

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 12 to the financial statements and pages 34 to 37.

Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards 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 the Companies Law (2013 Revision) as applicable in the Cayman Islands. 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.

By order of the Board

Robert Ware
Chairman
6 April 2016

Louisa Bonney
Director
6 April 2016

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 2015 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 2015;
- 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 18, 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 audit of your financial statements for the year ended 31 December 2015 in accordance with the entities governing documents agreement dated 19 November 2013 as per our engagement letter dated 17 November 2015 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
6 April 2016

MARWYN VALUE INVESTORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015 and 31 December 2014

	Notes	Year ended 31 December 2015 £	Year ended 31 December 2014 £
INCOME			
Finance income		189	226
Net (loss) / gain on financial assets at fair value through profit or loss	6	<u>(28,262,480)</u>	<u>23,645,528</u>
TOTAL NET INCOME		<u>(28,262,291)</u>	<u>23,645,754</u>
EXPENSES			
Finance cost and bank charges		<u>189</u>	<u>226</u>
TOTAL OPERATING EXPENSES		<u>189</u>	<u>226</u>
(LOSS) / PROFIT FOR THE YEAR		<u>(28,262,480)</u>	<u>23,645,528</u>
TOTAL COMPREHENSIVE (EXPENSE) / INCOME		<u>(28,262,480)</u>	<u>23,645,528</u>

RETURNS PER SHARE

Attributable to holders of ordinary shares		(28,262,480)	24,092,038
Ordinary shares in issue at 31 December	10	79,292,032	64,065,256
Return per ordinary share - Basic and diluted		(35.64)p	37.61p
Attributable to holders of B ordinary shares		-	(446,510)
B ordinary shares in issue at 31 December	10	-	-
Return per B ordinary share - Basic and diluted		-	-

Notes 1 to 17 on pages 24 to 33 form an integral part of these financial statements.

MARWYN VALUE INVESTORS LIMITED

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	31 December 2015 £	31 December 2014 £
NON CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	189,638,510	190,075,247
CURRENT ASSETS			
Cash and cash equivalents	7	<u>127,424</u>	<u>127,260</u>
TOTAL ASSETS		189,765,934	190,202,507
CURRENT LIABILITIES			
Loan payable	8	(125,000)	(125,000)
Accruals		<u>(2,424)</u>	<u>(2,260)</u>
TOTAL LIABILITIES		(127,424)	(127,260)
NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS		<u>189,638,510</u>	<u>190,075,247</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	10	95	80
Share premium	10	85,906,903	42,428,639
Special distributable reserve	11	26,346,979	26,346,979
Exchange reserve	11	54,386	54,386
Capital reserve		69,193,484	125,452,704
Revenue reserve	11	<u>8,136,663</u>	<u>(4,207,541)</u>
TOTAL EQUITY		<u>189,638,510</u>	<u>190,075,247</u>
Net assets attributable to ordinary shares		189,638,510	190,075,247
Ordinary shares in issue at 31 December	10	79,292,032	64,065,256
Net assets per ordinary share		239.16p	296.69p

The financial statements on pages 20 to 33 were approved by the Board of Directors and authorised for issue on 06 April 2016. They were signed on its behalf by:

Robert Ware

Louisa Bonney

Notes 1 to 17 on pages 24 to 33 form an integral part of these financial statements.

MARWYN VALUE INVESTORS LIMITED

STATEMENT OF CASHFLOWS

For the year ended 31 December 2015

	Notes	31 December 2015 £	31 December 2014 £
Cash flows from operating activities			
Interest received		189	226
Bank charges paid		(25)	(64)
Cash received on partial redemption of Class F interests in the Master Fund	6	20,619,913	5,288,467
Cash received on redemption of Class B interests in the Master Fund	9	-	9,547
Cash paid on investment in Class G interests in the Master Fund	9	(48,445,658)	-
Repayment of short term loan to the Master Fund		-	(136,871)
Net cash inflow from operating activities	9	(27,825,581)	5,161,305
Cash flows from Financial Activities			
Cash paid to ordinary shareholders on partial redemption of ordinary shares	10	(20,619,913)	(5,288,467)
Cash paid to B ordinary shareholders on redemption of B ordinary shares	10	-	(9,547)
Cash received on issue of ordinary shares	10	48,445,658	-
Net cash (outflow) from financing activities		27,825,745	(5,298,014)
Net (decrease)/increase in cash and cash equivalents		164	(136,709)
Cash and cash equivalents at the beginning of the year		127,260	263,969
Cash and cash equivalents at the end of the year		127,424	127,260

Notes 1 to 17 on pages 24 to 33 form an integral part of these financial statements.

MARWYN VALUE INVESTORS LIMITED

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

For the year ended 31 December 2015

	Notes	Share capital £	Share premium £	Special distributable reserve £	Exchange reserve £	Capital reserve £	Revenue reserve £	Total £
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)
Issue of ordinary shares		23	48,445,635	-	-	-	-	48,445,658
Result for the year	6	-	-	-	-	(40,606,684)	12,344,204	(28,262,480)
Closing balance		<u>95</u>	<u>85,906,903</u>	<u>26,346,979</u>	<u>54,386</u>	<u>69,193,484</u>	<u>8,136,663</u>	<u>189,638,510</u>

For the year ended 31 December 2014

	Notes	Share capital £	Share premium £	Special distributable reserve £	Exchange reserve £	Restated Capital reserve £	Revenue reserve £	Restated Total £
Restated opening balance		87	48,384,287	26,346,979	54,386	103,064,423	(4,269,162)	173,581,000
Redemption of ordinary shares		(2)	(1,351,841)	-	-	(3,936,635)	-	(5,288,478)
Redemption of B ordinary shares		(5)	(4,603,807)	-	-	2,741,009	-	(1,862,803)
Result for the year	6	-	-	-	-	23,583,907	61,621	23,645,528
Closing balance		<u>80</u>	<u>42,428,639</u>	<u>26,346,979</u>	<u>54,386</u>	<u>125,452,704</u>	<u>(4,207,541)</u>	<u>190,075,247</u>

Notes 1 to 17 on pages 24 to 33 form an integral part of these financial statements.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Marwyn Value Investors Limited 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 2015 have had no impact on the Company's financial position or results:

- Amendment to IFRS 2 'Share-based Payment', Amended by Annual Improvements to IFRSs 2010–2012 Cycle (definition of vesting condition);
- Amendments to IFRS 3 'Business Combinations', Amended by Annual Improvements to IFRSs 2010–2012 Cycle (contingent consideration) and Amended by Annual Improvements to IFRSs 2011–2013 Cycle (scope exception for joint ventures);
- Amendment to IFRS 7 'Financial Instruments': Disclosures', 'Mandatory Effective Date and Transition Disclosures';
- Amendment to IFRS 8 'Operating Segments': Amended by Annual Improvements to IFRSs 2010–2012 Cycle (aggregation of operating segments, reconciliations of assets);
- Amendment to IFRS 13 'Fair Value Measurement': Amended by Annual Improvements to IFRSs 2011–2013 Cycle (scope of portfolio exception in paragraph 52);
- Amendment to IAS 24 'Related Party Disclosures': Amended by Annual Improvements to IFRSs 2010–2012 Cycle (entities providing key management personnel services); and
- Amendment to IAS 40 'Investment Property': Amended by Annual Improvements to IFRSs 2011–2013 Cycle (interrelationship between IFRS 3 and IAS 40).

2.1 New standards, amendments and interpretations not yet effective

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 January 2016, and have not been early adopted in preparing these financial statements. None of these are expected to have a significant effect of 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 the Companies Law (2013 Revision).

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.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 they are not held for trading but are managed, and their 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 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 and warrant 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.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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. 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 2015 and 31 December 2014, 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 2015. The relevant statute of limitations in the United Kingdom for potential tax liabilities is five years, and therefore the years 2011 to 2015 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 2015, there are no such tax benefits recognised (31 December 2014: None).

6. Financial assets at fair value through profit or loss

As at 31 December 2015, 100% (2014: 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 23 November 2015 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 invested.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Net Asset Value – investment movements

	31 December 2015	31 December 2014
Marwyn Value Investors L.P.	£	£
Opening cost	70,686,705	77,776,366
Redemption relating to the January return to ordinary shareholders	(1,966,759)	(2,252,177)
Redemption of Class F interests	(6,308,951)	-
Redemption of Class B1 interests	-	(4,837,484)
Investment in Class G interests	48,445,657	-
Closing cost	<u>110,856,652</u>	<u>70,686,705</u>
Unrealised gain brought forward	119,388,542	95,804,635
Movement in unrealised gain	(40,606,684)	23,583,907
Unrealised gain carried forward	<u>78,781,858</u>	<u>119,388,542</u>
At fair value in accordance with IFRS 13	<u>189,638,510</u>	<u>190,075,247</u>
Class F	142,703,407	190,075,247
Class G	46,935,103	-
At fair value in accordance with IFRS 13	<u>189,638,510</u>	<u>190,075,247</u>
Realised gain on redemption of Class F	12,344,204	3,036,302
Realised loss on redemption of Class B1	-	(2,974,681)
Total net realised gain on redemptions	<u>12,344,204</u>	<u>61,621</u>
Net (loss)/gain recognised in the statement of comprehensive income	<u>(28,262,480)</u>	<u>23,645,528</u>

The net (loss)/gain 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 and the net realised gain on redemptions.

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 detailed below. The remainder of the movement is due to the performance of the underlying Portfolio Companies, as discussed in the Performance summary on page 2.

In order to effect the partial redemptions of ordinary shares as detailed in Note 10, the Company redeemed interests in the Master Fund to the value of £20,619,913. A realised gain of £12,344,204 is included within net gain on financial assets at fair value through profit or loss and has been taken to the revenue reserve in the statement of changes in net assets attributable to equity holders of the Company.

The Company issued a further 22,727,273 ordinary shares on 11 December as detailed in Note 10, receiving net proceeds of £48,445,658. This balance was fully invested in Class G interests of the Master Fund.

The Company holds 100% (2014: 100%) of the Class F interests which represent 73.72% (2014: 71.90%) of the NAV of the Master Fund and 100% (2014: no Class G interests in existence) of the Class G interests which represent 24.25% of the Master Fund. As the Company has no control over the Master Fund's activities and has no voting power in its affairs, the Master Fund is not considered to be a subsidiary.

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)

Taking into account the valuation methodology applied to the investments in the Master Fund, the Company's valuation of investments is classified as level 2 (2014: level 2). The Master Fund's assets and liabilities carried at fair value at 31 December 2015 and 2014 are primarily categorised as level 1 fair value measurement with the exception of the investment in MMP which is categorised as level 2..

7. 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.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Financial liabilities at amortised cost

The Master Fund has made a loan to the Company of £125,000 (2014: £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.

9. Reconciliation of net (loss)/profit for the year to net cash inflow from operating activities

	31 December 2015	31 December 2014
	£	£
(Loss)/Profit for the year	(28,262,480)	23,645,528
Loss/(Gain) on investments held at fair value through profit or loss	28,262,480	(23,645,528)
Proceeds on redemption of interests in the Master Fund	20,619,913	5,288,467
Cash received on redemption of Class B interests in the Master Fund	-	9,547
Cash paid on investment in Class G interests in the Master Fund	(48,445,658)	-
Increase/(decrease) in accruals	164	(136,709)
Net cash (outflow)/inflow from operating activities	(27,825,581)	5,161,305

10. Share Capital

As at 31 December 2014 and 31 December 2015 the authorised share capital was as follows:

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

On 21 November 2014 the Company announced the completion of the in specie redemption of the 5,008,870 B ordinary shares in the Company. Accordingly, there were no B ordinary shares outstanding after this date.

On 19 January 2015, the Company completed a return of capital pursuant to the progressive distribution policy for holders of ordinary shares, equal to 8.255 pence per ordinary share which equated to a value of £5,288,576 (January 2014; 8 pence per share equating to £5,288,479). Following a partial redemption of the Company's interests in Class F of the Master Fund to the value of £5,288,576 the distribution to ordinary shareholders was effected by way of a partial redemption of 1,782,526 ordinary shares (with a nominal value of 0.0001p) (January 2014: 2,041,217) which were subsequently cancelled. As required by IAS32, this has been reflected through the statement of changes in equity and the net redemption cost is included in the redemption reserve.

On 8 October 2015, the Company completed a return of capital pursuant to the distribution policy in relation to net capital gains totaling £15,331,337 following the Master Fund completing the sale of its holding in Entertainment One Limited. Following a partial redemption of the Company's interests in Class F of the Master Fund to the value of £15,331,337 the distribution to ordinary shareholders was effected by way of a partial redemption of 5,717,971 ordinary shares (with a nominal value of 0.0001p) which were subsequently cancelled. As required by IAS32, this has been reflected through the statement of changes in equity and the net redemption cost is included in the redemption reserve.

On 11 December 2015, following shareholders' approval of the resolution proposed at the Extraordinary General Meeting ("EGM") of the Company held on 10 December 2015, 22,727,273 new ordinary shares (with a nominal value of 0.0001p) were issued and admitted to trading, raising gross proceeds of £50 million. These proceeds, after costs, were fully invested in Class G interests of the Master Fund.

Accordingly, the issued and fully paid up share capital of the Company is as follows:

	At 31 December 2014	Redemption	Issue	At 31 December 2015	£
Ordinary shares	64,065,256	(7,500,497)	22,727,273	79,292,032	79
Exchange shares	16,050,000			16,050,000	16
					<u>95</u>

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The share premium received on issue of shares is as follows;

	At 31 December 2014	Redemption	Issue	At 31 December 2015
	£	£	£	£
Ordinary shares	42,428,639	(4,967,371)	48,445,635	85,906,903

(a) Voting rights

- (i) Ordinary 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. A dividend of 2.064p per ordinary share (total payment of £1,636,588) was paid in January 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)). In addition to the quarterly dividend, a special dividend of 2p per ordinary share (total payment of £1,585,841) was paid in January 2016;
 - in addition to the return detailed above, where the Master Fund disposes of an asset for a Net Capital Gain² 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 will not apply to any realisation shares, which may be issued to shareholders who elect to receive them as described below.

(c) Realisation opportunities

Commencing on 30 November 2016 and thereafter at five-yearly intervals, ordinary shareholders will have the option to continue with all or some of their existing investment in ordinary shares or to re-designate all or some of such ordinary shares into realisation shares. The terms of the realisation shares are contained in the Company's circular dated 1 November 2013 (the "Circular"). The realisation shares will rank equally and will otherwise carry the same rights as the ordinary shares, save that (i) the investment policy differs as detailed in Part II, Section 3 of the Circular, (ii) the distribution policy for the ordinary shares will not apply and (iii) the realisation shares will entitle their holders to returns only in respect of realisations made on investments attributable to the realisation pool as described in the Circular.

There will be 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. Listing of the realisation shares 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.

² Net Capital Gains means the net sale proceeds received by the 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)).

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(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.

11. 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.

12. 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 2015, the Company owned 97.96% (2014: 71.90%) of the net assets of Master Fund.

Market price risk

The Company now invests in two classes of the Master Fund, Class F and Class G, which invest in the same underlying companies and so are susceptible to the same market price risk arising from uncertainties about future values of those Master Fund classes. 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 of the Master Fund. The Board meets regularly and at each meeting reviews investment performance.

Any movement in the value of the Class F and Class G interests of the Master Fund would result in an equivalent movement in the reported NAV per ordinary share, similarly for 2014.

The Company's exposure to changes in market prices at 31 December 2015 and 31 December 2014 on its unquoted investments was as follows:

	2015 £	2014 £
Financial assets at fair value through profit or loss – ordinary shares	189,638,510	190,075,247

The following table shows the average monthly performance of the reported NAV of the Company for each share class in issue:

	2015 Analysis of monthly returns	2014 Analysis of monthly returns
Ordinary shares:		
Number of periods	12	12
Percent profitable	42%	50%
Average period return	(1.63)%	1.34%
Average return in profitable months	3.67%	6.69%
Average return in loss making months	(5.41)%	(4.01)%

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The impact on net income and equity of the average monthly period returns set out in the above table as of 31 December 2015 is as follows:

	Monthly returns		Impact of Increase		Impact of Decrease	
	Increase (%)	Decrease (%)	Net income (£)	Equity (£)	Net income (£)	Equity (£)
2015	3.67	(5.41)	6,959,733	6,959,733	(10,259,443)	(10,259,443)
2014	6.69	(4.01)	12,716,034	12,716,034	(7,622,017)	(7,622,017)

The Company invests in the Master Fund and is exposed to price risks derived from the Master Fund's investment portfolio.

The Master Fund is therefore theoretically exposed to a loss limited to the value of its investments if the market value of its securities decreases. The investments of the Master Fund 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 2015	31 December 2014
	£	£
Monetary assets in GBP	229,154,486	337,621,499
Non-monetary assets in GBP	-	-
Monetary liabilities in GBP	1,192,001	28,715,092
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 progressive distribution policy adopted at the 2013 EGM. Further, the Master Fund invests a significant part of its assets in publicly traded investments, the holdings of which may not be readily realisable due to their size. 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 now holds Class F and Class G of 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 2015	1-3 months 2015	Less than 1 month 2014	1-3 months 2014
	£	£	£	£
Loan from Master Fund	125,000	-	125,000	-
Payables and accruals	2,424	-	2,260	-

The Company holds, and will continue to hold, £125,000 cash (2014: £125,000) in respect of the £125,000 loan payable to the Master Fund (2014: £125,000) (see Note 8). The remainder of the loan will be repaid by set-off on the date that Master Fund interests are fully redeemed.

As all 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.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 of £45 million, although there is a zero drawn down balance as at 31 December 2015 (£28 million drawn down as at 31 December 2014) with a term until June 2017 and 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 would not have a material effect on the Master Fund. All the other 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 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 2015 all of the Master Fund's investments are in listed securities.

13. 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.

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

On 29 November 2013, Marwyn Asset Management Limited ("MAML") was appointed Manager to the Company. MAML engaged Marwyn Investment Management LLP ("MIM 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 (2014: 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 share in the Master Fund, payable monthly in arrears. The total management fee expense and payable by the Master Fund for the year ended 31 December 2015 was £4,337,020 (2014: £4,890,369).

The incentive allocations to be borne by the Class F and Class G interests in the Master Fund will only be payable on returns being made, however, in relation to Class F interests, there are provisions allowing for the acceleration of incentive allocation payments due to retired partners, subject to performance criteria being met as detailed in the Circular.

During the year ended 31 December 2015, £6,687,890 was recovered by the Master Fund from the total uncrystallised incentive allocations relating to the ordinary shares in the Company (for the equivalent period to 31 December 2014, £6,023,104 was accrued). The total incentive allocation accrued as at 31 December 2015 amounted to £33,783,080 (2014: £40,470,970).

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 23 November 2015. These documents are available on the Company's website.

MARWYN VALUE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(b) Administration fee

With effect from 30 September 2014 Lumiere Fund Services Limited (formerly Fund Corporation of the Channel Islands) resigned as the Administrator of the Company and Axio Capital Solutions Limited ("Axio") was appointed Administrator (previously Axio had provided outsourced administration and exchange administration services). Axio is considered to be a related party.

Axio was paid a fee of £105,000 in 2015 (2014: £42,500) for the administration of the ordinary shares and £Nil in 2015 (2014: £11,250) for the administration of the B ordinary shares, monthly in arrears. Axio also received an exchange administration fee of £3,761 in 2004 for each series of ordinary shares, payable 6 monthly in arrears. This is no longer paid. The Administrator 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 2014 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	(2014: £26,250)
Ronald Hobbs	£40,000	(2014: £40,000)
Louisa Bonney	£40,000	(2014: £40,000)
Paul Everitt	£34,210	(2014: £40,000)
Martin Adams	£25,854	(2014: £Nil)

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.

14. 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:

	2015	2014
	£	£
Share capital	95	80
Share premium	85,906,903	42,428,639
Special distributable reserve	26,346,979	26,346,979
Exchange reserve	54,386	54,386
Capital reserve	69,193,484	125,452,704
Revenue reserve	8,136,663	(4,207,541)
Total capital	<u>189,638,510</u>	<u>190,075,247</u>

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

15. Ordinary shares - by series

The Company has the ability to issue different series of ordinary 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 2015 only the ordinary shares remained outstanding. The information on the following four pages sets out the risks applicable to the ordinary shares in issue.

16. Commitments and contingent liabilities

There were no commitments or contingent liabilities outstanding at 31 December 2015 or 31 December 2014 that require disclosure or adjustment in these financial statements.

17. Subsequent events

As detailed in the Chairman's Statement, in January 2016 the Company paid its first dividend pursuant to the new progressive distribution policy for holders of ordinary shares, passed at Company EGM on 10 December 2015, equal to 2.064 pence per ordinary share (payable quarterly) (January 2015 distribution was 8.255 pence per ordinary share based on an annual distribution as per the previous progressive distribution policy). Also in January 2016, a special distribution of 2p per ordinary share was paid, resulting in a total distribution to ordinary shareholders of 4.064p per share.

MARWYN VALUE INVESTORS LIMITED

RISK

Risks applicable to investing in the Company and the Master Fund

Past performance

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

Terrorist action

There is a risk of terrorist attacks in Europe and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Restriction on auditors' liability

Cayman Islands 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 of the Company and the Net Asset Value of the Master Fund is expected to fluctuate over time with the performance of the Company's and/or the 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.

Market price

There is no guarantee that the market price of the ordinary shares will fully reflect the underlying value of the assets held by the Company and which are attributable to the ordinary 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 shares will also be influenced by the supply and demand for the ordinary 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 shares.

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 series of ordinary share cannot be ring-fenced.

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. There is therefore a risk that any gain realised on any disposal of ordinary shares will be taxed as income in the UK, rather than capital gain.

MARWYN VALUE INVESTORS LIMITED RISK

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 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 interests or Class G 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 the laws of the Cayman Islands and the Articles. The rights of shareholders under Cayman Islands 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 of association, the allotment and issue of securities is under the exclusive control of the directors and there are no pre-emption rights under the Companies 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 Companies Law; and (iii) assets of the Company are under the exclusive control of the directors and the Companies 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 the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

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 a 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 the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

Control over the Master Fund

The Company, in its capacity as an investor, has no opportunity to control the day-to-day operation, including investment and disposition decisions made by the Manager, the resolution of potential or actual conflicts of interest that may arise and the appointment or removal of service providers to the funds in which it invests. 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 and Class G interests. However, the Company has no control over the amount or timing of any redemptions by the Master Fund or other distributions which may be used to fund extraordinary distributions.

MARWYN VALUE INVESTORS LIMITED

RISK

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.

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 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 depository 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.

MARWYN VALUE INVESTORS LIMITED RISK

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 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 3 of Part VIII of the prospectus published by the Company on 23 November 2013. In the event that ordinary shares are acquired by persons who are not qualified to hold the ordinary shares, such ordinary shares are subject to provisions requiring forfeiture and/or compulsory transfer as described in section 3 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.

Potential conflicts of interest

The Company and the Master Fund are subject to a number of actual and potential conflicts of interest. 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 as they arise.

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 both to the Master Fund and the Company and will carry on investment activities for other clients, including, without limitation, other investment funds, client accounts and proprietary accounts in which the Company may have no interest and whose respective investment programmes may or may not

be substantially similar.

The Manager, Investment Adviser and their affiliates are not restricted from forming additional investment funds or companies, from entering into other investment management relationships or from engaging in other business activities, even though such activities may be in competition with the Master Fund or the Company and/or may involve substantial time and resources of the Manager, the Investment Adviser and their affiliates. Members of the Investment Adviser may be engaged in similar activities and may act as an Investment Adviser to investment funds that may be in competition with the Master Fund and/or Company.

James Corsellis and Mark Brangstrup Watts (the "Principals") and/or certain members, officers or employees of the Manager and Investment Adviser or their affiliates will be subject to a variety of conflicts of interest relating to their responsibilities to the Master Fund and/or the Company and the management of its portfolio. Certain of them may serve as directors of the General Partner, and/or the Company, the directors of any investee company, as members of an investment or advisory committee, or otherwise in an advisory capacity for one or more corporations, foundations or other organisations. Such positions may create a conflict between the services and advice provided to such organisations and the responsibilities owed to the Master Fund and the Company. Although each such person will seek to limit any such conflicts in a manner that is in accordance with their fiduciary duties to the Master Fund and such organisations, there can be no assurance that serving in such positions will have no impact on the person's ability to perform his responsibilities on behalf of the Master Fund and the Company.

The directors or the directors of the General Partner, the Principals and/or certain members, officers or employees of the Manager and Investment Adviser or their affiliates may hold limited partnership interests in the Master Fund either directly or indirectly through being limited partners in Marwyn Management Partners L.P. (the "Carried Interest Partner") or through holding shares in the Company. Such persons may also invest directly or indirectly in Portfolio Companies or participate in co-investments with the Master Fund. Such persons will be in possession of information relating to the Master Fund and its investee Companies that is not available to other Shareholders or Limited Partners.

Robert Ware, being a director, may receive compensation from the Manager and/or the Investment Adviser and their respective affiliates from time to time in relation to the management and/or performance fees paid by the Master Fund and/or Company.

Subject to financial services legislation, internal compliance policies and approval procedures, members, officers and employees of the Manager and/or the Investment Adviser may engage, from

MARWYN VALUE INVESTORS LIMITED RISK

time to time, in personal trading of securities and other instruments, including securities and instruments in which the Master Fund and/or Company may invest. Members, officers and employees of the Manager and/or the Investment Adviser may have an interest in a company which is an actual or potential investment.

Marwyn Capital, an affiliate of the Manager, has provided and may in the future provide, investee companies of the Master Fund and/or Company with specific corporate finance and transaction advice. Fees payable by the Company or the Master Fund to Marwyn Capital may be deemed, at the sole discretion of the directors and/or the General Partner (as relevant), to relate to services provided by Marwyn Capital as a result of or pursuant to an investment by the Company and/or the Master Fund (as relevant). In such circumstances, Marwyn Capital operates a policy of full disclosure and informs the General Partner so that it may request a rebate if it feels appropriate.

James Corsellis and Mark Brangstrup Watts are directors of the Manager and members of the Investment Adviser. Robert Ware is Chairman of the Company and a director of Marwyn Capital Limited.

The Manager and/or the Investment Adviser and any of their associates (including Marwyn Capital, an associate of the Manager and the Investment Adviser) may receive and retain for their own benefit corporate finance fees, transaction fees and other fees or remuneration from Portfolio Companies in respect of services provided by them.

While the Incentive Allocation arrangements generally operate to align the interests of the Master Fund, the Company, the General Partner and Investment Adviser, there can be circumstances in which they would give rise to a conflict. For example, the Incentive Allocation arrangements may create an incentive for the Manager to make riskier or more speculative investments on behalf of the Master Fund, or to dispose of investments in order to generate consequential fees or incentive allocations, than would be the case in the absence of such a performance-based arrangement.

The Company's prospectus dated 23 November 2015 is available on Company's website for further information

MARWYN VALUE INVESTORS LIMITED ADVISERS

Registered office

PO Box 309
Ugland House
Grand Cayman
KY1 – 1104
Cayman Islands

Manager of the Master Fund and the Company

Marwyn Asset Management Limited
One Waverley Place
Union Street
St Helier
Jersey, JE1 1AX

Investment Adviser to the Manager in respect of the Master Fund and the Company

Marwyn Investment Management LLP
11 Buckingham Street
London WC2N 6DF

Registrar

Capita Registrars (Guernsey) Limited
Mont Crevett House
St. Sampson
Guernsey GY2 4JN

Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Legal Advisers to the Company as to English law

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Legal Advisers to the Company as to Cayman law

Maples & Calder
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Administrator to the Company

Axio Capital Solutions Limited
One Waverley Place
Union Street
St Helier
Jersey JE1 1AX

Financial Adviser and Corporate Broker

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY