

BACIT LIMITED

**INTERIM REPORT AND UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS TO 30 SEPTEMBER 2015**

BACIT LIMITED

CONTENTS

SUMMARY INFORMATION	1
CHAIRMAN'S STATEMENT	4
REPORT OF BACIT (UK) LIMITED.....	5
PRINCIPAL RISKS AND UNCERTAINTIES	8
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS	8
BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (UNAUDITED)	9
INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BACIT LIMITED.....	11
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	13
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	15
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	16
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	17
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS...	18

BACIT LIMITED

SUMMARY INFORMATION

Structure

BACIT Limited (the “Company”) is incorporated in Guernsey as a registered closed-ended investment company.

The Company makes its investments through BACIT Investments LP Incorporated (the “Partnership”), in which the Company is the sole limited partner. The general partner of the Partnership is BACIT GP Limited (the “General Partner”), a wholly-owned subsidiary of the Company. It also invests in BACIT Discovery Limited (formerly BACIT CHK1 Investment Limited) a wholly-owned subsidiary of the Partnership. BACIT Limited and BACIT GP Limited are collectively referred to as the “Group”.

On 9 September 2015, Jon Moulton resigned as a director and after due consideration by the Board Arabella Cecil was appointed effective on that date (see note 12). Nicholas Moss became Chairman of the Audit Committee on the same date.

The Group adopted IFRS 10 ‘Consolidated Financial Statements’, including the Amendments, ‘Investment Entities (Amendments to IFRS 10) in the prior year. The Amendments require entities that meet the definition of an investment entity to fair value certain subsidiaries through profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement, rather than consolidate their results. Consequently the results of the Partnership are not consolidated in the Group’s financial statements, but rather valued at fair value through profit or loss in the Unaudited Condensed Consolidated Statement of Financial Position.

The Company’s Ordinary Shares were listed on the premium segment of the London Stock Exchange on 26 October 2012, when it commenced its business.

The Company has raised the following share capital:

	£
Capital raised at launch of the Company	206,734,775
Capital raised since launch of the Company to 30 September 2015*	<u>204,376,781</u>
Total Capital raised by the Company (excluding share issue costs)	<u>411,111,556</u>

Shares in issue at 30 September 2015

	Number of shares
Ordinary shares at launch of the Company	206,734,775
Ordinary shares since launch of the Company to 30 September 2015*	<u>177,930,383</u>
	<u>384,665,158</u>

*During October 2013, the Company raised £200 million gross from the issuance of C Shares. These shares were subsequently converted into the Company’s Ordinary Shares effective 31 December 2013. All other Ordinary Shares issued relate to the 2014 and 2015 scrip dividends.

Investment Objective and Policy

The Group’s investment objective is to deliver superior returns from investments in long-only and alternative investment funds across multiple asset classes and it targets an annualised return per Share in the range of 10% to 15% per annum on the issue price of the Shares. Investments, except in the CRT Pioneer Fund LP (the “Pioneer Fund”), will only be made in cases where the relevant investment manager provides investment capacity on a “gross return” basis, meaning that the Group does not bear the impact of management or performance fees on the relevant investment. This is achieved by the relevant manager or fund agreeing with the Group not to charge management or performance fees, by rebating or donating back to the Group any management or performance fees charged or otherwise arranging for the Group to be compensated so as effectively to increase its investment return on the relevant investment by the amount of any such fees.

BACIT LIMITED

SUMMARY INFORMATION (continued)

Investment Objective and Policy (continued)

The Group intends to achieve the investment objective primarily through investments in long-only funds, hedge funds, private equity funds and real estate funds. The Group is permitted to borrow and invest in long and short positions in quoted and unquoted equities, fixed income securities, options, warrants, futures, commodities, currency forwards, over the counter derivative instruments (such as swaps), securities that lack active public markets, private securities, repurchase agreements, preferred stocks, convertible bonds and other financial instruments or real estate as well as cash and cash equivalents. The Group may invest on a global basis.

The Group makes an aggregate donation ("Charitable Donation"), in arrears, of one-twelfth of 1% of the total Net Asset Value ("NAV") of the Company as at each month-end during the period to charities, with half donated to The Institute of Cancer Research ("ICR") and half donated to The BACIT Foundation for onward distribution among other charities in proportions which are determined each year by the Shareholders. Please refer to note 6 for details.

In addition to the Charitable Donation, the Group intends to invest up to 1% of NAV each year to acquire interests in drug development and medical innovation projects undertaken by the ICR or its subsidiaries which have the potential for commercial development and application ("ICR Projects"). To the extent less than 1% of NAV is allocated to ICR Projects in any given year, the unallocated amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased.

The Group has entered into a framework agreement with the ICR effective 1 October 2012, not to knowingly make any investment (directly or indirectly) which contravenes the tobacco restriction contained in the investment policy of the ICR and not to promote any relationship with any other cancer charity other than ICR, except to the extent relevant to The BACIT Foundation.

Following the Extraordinary General Meeting held on 15 December 2014, shareholders approved the change in investment policy to include the following:

The Group has invested in the Pioneer Fund as if it were an ICR Project, save that the Group can make up to a maximum capital commitment of £20 million (including the contribution of its existing investment in the CHK1 Project), notwithstanding that the Group is required to bear management and performance fees, in the form of a general partner's share and carried interest, in respect of its investment.

The amount that the Group may contribute to drawdowns of the Pioneer Fund in any one calendar year will not be subject to the one per cent. of net asset value cap otherwise applicable to investments in ICR Projects.

Full details were set out in the Circular dated 25 November 2014 which is available on the Company's website.

BACIT LIMITED

SUMMARY INFORMATION (continued)

Manager and Investment Advisor

Since 19 December 2014, the investment portfolio has been managed by BACIT (UK) Limited (the "Investment Manager"), which is regulated by the Financial Conduct Authority. The management team of the Investment Manager is the same as that of the General Partner. The Company has sought to minimise the cost impact of this where possible; nonetheless, there has been an increase in investment management costs, including regulatory and compliance costs recharged by the Investment Manager to the Company, as a result. Until 19 December 2014, the management team of the General Partner (the "Management Team") managed the Partnership's investment portfolio. Investment decisions regarding the investment portfolio were taken by the Management Team with the benefit of advice from a Strategic Advisory Committee to the Partnership.

Alternative Investment Fund Managers Directive

On 19 December 2014, the Company appointed as its Alternative Investment Fund Manager, BACIT (UK) Limited.

BACIT Limited complies with the characteristics of an alternative investment fund and is therefore considered in scope of the directive.

Ongoing Charges

Ongoing Charges are calculated based on weighted average NAV. The Ongoing Charges ratio of BACIT Limited and BACIT GP Limited (together, the "Group") and BACIT Investments LP Incorporated (the "Partnership") for the period ended 30 September 2015 was 0.26% (30 September 2014: 0.21%) excluding charitable donations and 1.26% (30 September 2014: 1.19%) including charitable donations. Ongoing charges do not include any net management fees and performance fees, as there are no such fees payable by the Group and the Partnership (other than those fees paid to the Pioneer Fund). Other operating costs are also charged by the underlying funds; however these are immaterial and are therefore also excluded in the calculation of Ongoing Charges.

Rebates and Donations

Substantially all investments made by the Partnership either (a) are not subject to any management or performance fees or (b) are made on the basis that the Group is effectively reimbursed the amount of any such fees by rebate, donation back to the Group or other arrangements. The Group has, however, made an investment in The Pioneer Fund, which is not made on a fee free basis.

At the period end the uncrystallised performance fee rebates included as receivables within the Partnership's financial assets at fair value through profit or loss amounted to £445,000.

During the period, rebates and donations earned amounted to £993,000, of which £315,000 remained receivable at 30 September 2015. Of the 31 underlying funds in the Partnership's Portfolio Statement, 21 of these underlying funds are invested in a fee free share class and the remaining 10 apply rebates or donations.

BACIT LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder

In the six months to 30 September 2015 the Company's net asset value total return was (3.28%). The net asset value per share fell from 125.05 pence to 118.88 pence during the period but included payment in August of a dividend of 2.1 pence per share. BACIT's share price, however, rose from 121.25 pence to 131.0 pence. Since launch in October 2012 the annualised net asset value total return has been 8.23%.

Although it is disappointing to report a fall in net asset value, BACIT's performance was again more resilient in falling markets than equity and hedge fund indices. The FTSE All Share index and the HFRI Fund of Funds Strategic index total returns were (7.19%) and (6.78%) respectively over the period.

The management report explains performance and describes how the portfolio is positioned. BACIT continues to be positive on UK, European and Japanese equities and cautious about the US, emerging markets and fixed income.

Three years after launch BACIT has produced positive returns with low volatility and an emphasis on capital preservation. The task now is to build on these achievements to ensure sustainable long-term growth in shareholder returns and charitable donations.

Jeremy Tighe
Chairman

23 November 2015

BACIT LIMITED

REPORT OF BACIT (UK) LIMITED

During the six months to 30 September 2015, the total return of BACIT Limited (the “Company”) was (3.28%), including the 2.1p dividend paid out on 19 August 2015. The Net Asset Value (“NAV”) declined by 4.93% from 125.05p to 118.88p, while the FTSE All-Share Total Return Index fell by 7.19%. The HFRI Fund of Funds Strategic Index declined by 6.78% in Sterling, and by 4.96% in US Dollars.

The Company started and ended the financial period with 95.2% of its assets invested across 31 underlying funds. With the CRT Pioneer Fund through BACIT Discovery Ltd, InfraCapital II and Permira V, undrawn commitments now total 7.8% of NAV.

It is worth restating that whilst the Company invests globally its investments are not proportionate to any independent metric of global activity, such as GDP or size of equity market. They are rather a balanced and risk-adjusted representation of the most attractive opportunities which the Investment Manager believes it has encountered to date, given the medium-term horizon.

Tailwinds today include the stance of the Japanese and European monetary authorities, which both continue to implement policies intended to kick-start their respective economies. The effects of these are finally gaining traction beyond the financial markets and asset prices, and with tighter labour markets and wage inflation now picking up in both regions, their economic cycles are entering the next phase.

The explosion in data processing power seen in the last few decades is bearing fruit in a series of parallel revolutions in medicine (genetics), energy (shale, alternatives) and technology, its consumer facing side being “Internet 2.0”. As this is now transforming manufactured goods into services through subscription, and reconfiguring industries as diverse as automotive, retail, hospitality and healthcare, it might perhaps be encapsulated by the expression “Life 2.0”. This level of innovation and creative destruction, increasing the quality of life this much for so many people simultaneously, was perhaps last seen in the West at the beginning of the 20th Century.

This means that the opportunity set is far richer than is typical at this advanced stage in the conventional economic cycle, and developed, liquid markets remain an attractive way to play both long and short opportunities: the reinvention costs for the ‘old’ retail and energy industries, for example, are still unknown. Finally, the secondary impacts of these mini-revolutions cannot yet be estimated, but may be significant: evidence the oil price collapse seen over the last fifteen months, effectively a global fiscal stimulus worth around \$1.3tn to the world’s consumers, or 1.7% of global GDP.

However, when markets anticipate monetary policy tightening, the currency concerned typically strengthens. The US dollar’s trade-weighted index strengthened by more than 20% between the middle of 2014 and mid-2015. This exacerbated some of its trading partners’ balance of payments crises and increased the value and cost of servicing dollar-denominated debt in local currency terms. There are far fewer oil producing than oil-consuming countries, and many of these producers rely heavily on oil revenues to fund programmes that maintain regional stability.

These factors have contributed to the geopolitical instability that has grown since BACIT’s launch three years ago. The continuing EU crisis, the aftermath of the Arab Spring in the Middle East and Europe, and the posturing of World Powers in the South China Seas all remain tail risks for now. However, the scope for a policy mistake has grown significantly, and this gives us no wish to increase the Company’s reliance on the continued rise of the equity or fixed income markets to generate returns. No less significantly, six years of extraordinarily accommodating monetary policy have resulted in a more indebted and fragile Global Economy.

BACIT LIMITED

REPORT OF BACIT (UK) LIMITED (continued)

All this means that we continue to look for managers who exercise greater control over their destinies, or at least the destination of their portfolios, by the use of shock-absorption and shock-evasion techniques. A margin for error has a value, as does the option to change your mind. Hedge funds now represent 57% of the portfolio, and we estimate that the net long bias of the Fund is now running at around 50%, with that hedge fund presence offering substantial flexibility should it be required.

We have seen this at play during the market draughts since BACIT launched. Three of the ten worst months for the FTSE All Share since October 2012 came during the period under review, in June, August and September, including the two worst since BACIT's inception. The FTSE All Share was cumulatively down 32.7% during those ten months, while BACIT's comparable decline was 5.3%.

Sterling ended the six month period 2.7% weaker against the US Dollar. This benefited the 52% of the portfolio which is invested in unhedged dollar-denominated funds. We continue to hedge the Company's exposure to Euro denominated share classes back into Sterling, and all Japanese investments are in Sterling or US Dollar hedged share classes.

During the period the Company participated in *the Woodford Patient Capital Trust* IPO, wishing to counter the recent year phenomenon which has seen companies coming to the capital markets only once their most dynamic growth phase is complete. We also added a small position in *Tower GEM UCITS Fund*, increasing the Company's small exposure to Emerging Markets. Since BACIT's inception we have been concerned that the end of the Fed's Quantitative Easing programme would negatively impact Emerging Market economies, as we have described above, but we will increase the Company's exposure as opportunities with bounded downsides arise.

Equity Funds (24.9% at 30 September 2015 vs. 22.3% at 31 March 2015)

While we have rebalanced the portfolio to make it less dependent on the rising value of equity markets during the last two years, as we wrote above, we added *Woodford Patient Capital Trust* at that company's IPO in April, to gain exposure to unlisted growth companies. Moderating the Company's long only equity exposure during the last two years paid off during the period, given the setbacks in global equity markets. The managers in this group performed in line with or better than their respective indices, some making good money in Japan (11.6% of the portfolio), where the stock market and the economy are undergoing structural changes which should benefit our holdings over the medium term. The Russian holdings (2.6% of the portfolio) remain inexpensive on historic and peer metrics.

Equity Hedge Funds (32.4% vs. 32.0%)

The managers in this group expose the Company to Europe, sub-Saharan Africa and the broader Emerging Markets, as well as to gold mining stocks, and they protected capital during the period. As mentioned above, we added a small Emerging Markets holding in a fund run by the same team who run the Africa fund, Tower.

Commodity Funds (4.9% vs. 4.5%)

These managers expose the Company to globally traded agricultural commodities; European and North American power, natural gas, coal and oil; and Australasian power. The asset prices in this subset are volatile and these funds' risk management is of critical importance. The managers' performances have historically been uncorrelated with one another, and this has continued since the Company's investment, which has muted the volatility of the aggregate returns of this group. Against a backdrop in which the CRB Commodities index declined by 8.5% during the period, both funds generated solid positive returns.

BACIT LIMITED

REPORT OF BACIT (UK) LIMITED (continued)

Fixed Income and Credit Funds (16.4% vs. 16.6%)

The seven funds in this group faced unhelpful listed markets, though the unlisted exposures continued to generate solid returns. An unintended consequence of post-Crisis regulation has been to reduce the amount of capital the major banks deploy in dealing and market making in the fixed income markets. Prices can thus move sharply on little volume. As the cycle matures those managers with a long/short mandate are increasing their short positions, with at least one of the Company's managers now net short. When the European crisis came to the fore once again, during the late summer, European sovereign bonds dropped, taking mortgage backed bonds with them. TIPS endured the headwind of falling inflation expectations in the US, however the impact of reduced energy costs will fall out of the year on year numbers in the first quarter of 2016.

Global Macro Funds (12.2% vs. 16.8%)

This group includes three funds which pursue global macro opportunities, and whose trademarks include profiting from bursting price bubbles. Themes they are expressing include the move away from carbon fuels in Asia and the US, the Emerging Markets Balance of Payments crisis and the US economy's inability to achieve escape velocity. Two made a small profit and one made a loss during the period.

Other Strategies (4.6% vs. 3.0%) (Total undrawn commitments: 7.8% of NAV)

This group includes commitments to three longer-life opportunities. Amongst these is BACIT's commitment to the CRT Pioneer Fund, the vehicle through which the Company is investing in early drug discovery and medtech candidates, and listed in the table as "BACIT Discovery". Although just 16% drawn, CRT Pioneer has now made seven investments, and is shortly to make an eighth. The private equity and infrastructure investments are now 62% and 44% invested respectively, and generated meaningful returns during the period.

Since the Period End

The equity markets rebounded strongly during October recovering much of the ground they had lost since March. This exuberance was curtailed in early November by strong US economic data, as the prospect of the first US rate rise in more than nine years came firmly back into view.

As we have described above our thinking is framed by global debt levels, the lack of political will to tackle these, and the fragility this imposes on the global financial system. There is more opportunity than we would typically expect at this stage during an economic cycle, but ultimately the least-worst way out for politicians is inflation, and we continue to endeavour to protect the portfolio from that outcome.

Permira has confirmed two further investments and drawn down another 4% of our commitment, taking the total drawdown to 66%. Similarly, CRT Pioneer has drawn down a further 3% of that commitment.

Immense thanks are due to the managers for giving us the opportunity to invest with them, for preserving capital during the challenging markets of the last few months and for delivering 8.23% annualised returns over the 35 months since the Company's launch in October 2012.

BACIT (UK) Limited

23 November 2015

BACIT LIMITED

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's assets held through the Partnership comprise mainly investments in long-only funds, hedge funds, private equity funds and real estate funds. Its principal risks are therefore economic, performance-driven and financial in nature. These risks, and the way in which they are managed, are described in more detail under the heading "Principal Risks and Uncertainties" within the Directors' report in the Group's Annual Report for the year ended 31 March 2015. The Group's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Group's financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

We confirm to the best of our knowledge:

- the Condensed set of Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union;
- the Chairman's Statement and the Report of BACIT (UK) Limited meet the requirement of an interim management report, and include a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board by:

Jeremy Tigue
Chairman

Nicholas Moss
Director

23 November 2015

BACIT LIMITED

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (UNAUDITED)

As at 30 September 2015

	Fair Value £'000	% of Total NAV of Partnership as at 30.09.15	% of Total NAV of Partnership as at 31.03.15
Equity Funds			
Majedie UK Equity Fund			
<i>UK equities</i>	25,209	5.5	
Polar Capital Japan Alpha Fund			
<i>Japanese large and mid cap equities</i>	32,933	7.2	
Prosperity Russia Domestic Fund			
<i>Russian equities with a domestic focus</i>	4,201	0.9	
Russian Prosperity Fund			
<i>Russian equities</i>	7,818	1.7	
The SFP Value Realization Fund			
<i>Small and mid-cap Japanese equities</i>	20,140	4.4	
Woodford Patient Capital Trust			
<i>UK listed and unlisted growth companies</i>	23,666	5.2	
	113,967	24.9	22.3
Equity Hedge Funds			
Maga Smaller Companies UCITS Fund			
<i>European equities (Long/Short)</i>	24,014	5.2	
Man GLG Pan-European Growth (formerly PCM Europe Fund)			
<i>European high growth equities (Long; mandate permits Short)</i>	7,667	1.7	
Polygon European Equity Opportunity Fund			
<i>European event-driven equities (Long/Short)</i>	22,476	4.9	
Polygon Mining Opportunity Fund			
<i>Junior gold miners, hedged with commodities, indices and large caps</i>	14,222	3.1	
Portland Hill Overseas Fund			
<i>Event-driven equity investments (Long/Short)</i>	15,939	3.4	
SW Mitchell European			
<i>European equities (Long/Short)</i>	22,672	5.0	
SWMC Emerging European Fund			
<i>Emerging European equities (Long; mandate permits Short)</i>	1,514	0.3	
Tower Fund			
<i>South African listed equities (Long/Short)</i>	23,577	5.2	
Tower GEM UCITS			
<i>Emerging Markets equities, primarily sub-Saharan Africa (Long/Short)</i>	3,064	0.7	
Zebedee Growth Fund			
<i>European equities (Long/Short)</i>	12,294	2.7	
	147,439	32.2	32.0
Commodity Funds			
Cumulus Fund (formerly Cumulus Energy Fund)			
<i>European, Australasian and US power; oil, natural gas, coal (Long/Short)</i>	14,320	3.1	
The AlphaGen Relative Value Agriculture Fund			
<i>Global exchange traded agricultural commodities (Long/Short)</i>	8,069	1.8	
	22,389	4.9	4.5

BACIT LIMITED

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (UNAUDITED) (continued) As at 30 September 2015

	Fair Value £'000	% of Total NAV of Partnership as at 30.09.15	% of Total NAV of Partnership as at 31.03.15
Fixed Income and Credit Funds			
CG Portfolio Fund			
<i>US TIPs (inflation linked government bonds)</i>	14,942	3.3	
Chenavari Multi Strategy Credit Fund Class - DX			
<i>European corporate credit through private transactions</i>	7,821	1.7	
Chenavari Multi Strategy Credit Fund Class - MX			
<i>European corporate credit through cash and derivatives (Long/Short)</i>	15,478	3.4	
Chenavari Multi Strategy Credit Fund Class - RX			
<i>European real estate debt, through private and public transactions</i>	3,076	0.7	
Polygon Convertible Opportunity Fund			
<i>US and European convertible arbitrage</i>	9,623	2.1	
Residential Real Estate Total Return Opportunities Fund			
<i>US subprime mortgage backed securities</i>	9,486	2.1	
WyeTree European Recovery Fund			
<i>European residential mortgage-backed securities</i>	14,213	3.1	
	74,639	16.4	16.6
Global Macro Funds			
Parity Value Fund			
<i>Discretionary global macro (Long/Short)</i>	20,162	4.4	
Seia Global Macro Fund			
<i>Discretionary global macro (Long/Short)</i>	14,220	3.1	
Sinfonietta			
<i>Equities, rates, FX and commodities, with an Asian focus (Long/Short)</i>	21,324	4.7	
	55,706	12.2	16.8
Other Strategies			
BACIT Discovery (formerly BACIT CHK1 Investment)			
<i>Oncology-related drug & medtech</i>	3,133	0.7	
Infracapital Partners (NT) II LP			
<i>Private investments in European infrastructure</i>	7,996	1.8	
Permira V LP 2			
<i>Private equity, mid to large cap European buyouts</i>	10,001	2.1	
	21,130	4.6	3.0
Total Investments	435,270	95.2	95.2
Cash and cash equivalents	24,590	5.3	
Trade and other receivables	315	0.1	
Trade and other payables	(2,438)	(0.5)	
Unrealised losses on forward currency contracts	(390)	(0.1)	
	22,077	4.8	4.8
Total Value of the Partnership	457,347	100.0	100.0

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BACIT LIMITED

We have been engaged by the Company to review the condensed set of consolidated financial statements in the interim financial report for the six months ended 30 September 2015 which comprise the BACIT Investments LP Incorporated Portfolio Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statements of Cash Flows and related notes 1 to 18. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BACIT LIMITED

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BACIT LIMITED (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor
St Peter Port
23 November 2015

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months to 30 September 2015

	Notes	Revenue £'000	Capital £'000	Unaudited 01.04.15 to 30.09.15 Total £'000
Investment income				
Other income	4	8,809	-	8,809
Total investment income		<u>8,809</u>	<u>-</u>	<u>8,809</u>
Net losses on financial assets at fair value through profit or loss	5	-	(21,804)	(21,804)
Total losses		<u>-</u>	<u>(21,804)</u>	<u>(21,804)</u>
Expenses				
Charitable donation	6	2,383	-	2,383
Administration fee	7	83	-	83
Directors' fees	12	50	-	50
Other expenses	13	435	-	435
Total expenses		<u>2,951</u>	<u>-</u>	<u>2,951</u>
Profit/(loss) for the period		<u>5,858</u>	<u>(21,804)</u>	<u>(15,946)</u>
Earnings/(loss) per Ordinary Share	11	<u>1.53p</u>	<u>(5.69)p</u>	<u>(4.16)p</u>

The Total column of this statement represents the Group's consolidated statement of comprehensive income, prepared in accordance with IFRS as adopted by the EU and interpretations adopted by the International Accounting Standards Board ("IASB"). The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The Profit/(loss) for the period is the "total comprehensive income" as defined by IAS 1. There is no other comprehensive income as defined by IFRS.

All the items in the above statement derive from continuing operations.

The notes on pages 18 to 32 form an integral part of these financial statements

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the six months to 30 September 2014

			Unaudited 01.04.14 to 30.09.14	
	Note	Revenue £'000	Capital £'000	Total £'000
Investment income				
Other income	4	8,019	-	8,019
Total investment income		<u>8,019</u>	<u>-</u>	<u>8,019</u>
Net losses on financial assets at fair value through profit or loss	5	-	(2,765)	(2,765)
Total losses		<u>-</u>	<u>(2,765)</u>	<u>(2,765)</u>
Expenses				
Charitable donation	6	2,170	-	2,170
Administration fee	7	82	-	82
Directors' fees	12	50	-	50
Other expenses	13	279	-	279
Total expenses		<u>2,581</u>	<u>-</u>	<u>2,581</u>
Profit/(loss) for the period		<u>5,438</u>	<u>(2,765)</u>	<u>2,673</u>
Earnings/(loss) per Ordinary Share	11	<u>1.43p</u>	<u>(0.73)p</u>	<u>0.70p</u>

The Total column of this statement represents the Group's consolidated statement of comprehensive income, prepared in accordance with IFRS as adopted by the EU and interpretations adopted by the International Accounting Standards Board ("IASB"). The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The Profit/(loss) for the period is the "total comprehensive income" as defined by IAS 1. There is no other comprehensive income as defined by IFRS.

All the items in the above statement derive from continuing operations.

The notes on pages 18 to 32 form an integral part of these financial statements

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES

For the six months to 30 September 2015

	Notes	Share Capital Account £'000	Capital Reserves £'000	Revenue Reserves £'000	Unaudited Total £'000
Balance at the beginning of the period		403,987	75,077	-	479,064
Total Comprehensive Income for the period		-	(21,804)	5,858	(15,946)
Transactions with Shareholders:					
Distributions	3	-	(2,182)	(5,858)	(8,040)
Issuance of shares	11	2,221	-	-	2,221
Balance at the end of the period		<u>406,208</u>	<u>51,091</u>	<u>-</u>	<u>457,299</u>

For the six months to 30 September 2014

	Notes	Share Capital Account £'000	Capital Reserves £'000	Revenue Reserves £'000	Unaudited Total £'000
Balance at the beginning of the period		401,831	33,019	-	434,850
Total Comprehensive Income for the period		-	(2,765)	5,438	2,673
Transactions with Shareholders:					
Distributions	3	-	(2,182)	(5,438)	(7,620)
Issuance of shares	11	2,156	-	-	2,156
Balance at the end of the period		<u>403,987</u>	<u>28,072</u>	<u>-</u>	<u>432,059</u>

The notes on pages 18 to 32 form an integral part of these financial statements

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	Unaudited 30.09.15 £'000	Audited 31.03.15 £'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	8	457,347	479,151
Current assets			
Bank and cash deposits		34	23
Trade and other receivables	9	2,420	4,438
Total assets		<u>459,801</u>	<u>483,612</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	<u>2,502</u>	<u>4,548</u>
Total liabilities		<u>2,502</u>	<u>4,548</u>
EQUITY			
Share capital account	11	406,208	403,987
Distributable Reserves		<u>51,091</u>	<u>75,077</u>
Total equity		<u>457,299</u>	<u>479,064</u>
Total liabilities and equity		<u>459,801</u>	<u>483,612</u>
Total net assets attributable to holders of Ordinary Shares			
		<u>457,299</u>	<u>479,064</u>
Number of Ordinary Shares in Issue	11	<u>384,665,158</u>	<u>382,867,127</u>
Net assets attributable to holders of Ordinary Shares (per share)		<u>£1.19</u>	<u>£1.25</u>

The Unaudited Condensed Consolidated Financial Statements on pages 13 to 32 were approved on 23 November 2015 and signed on behalf of the Board of Directors by:

Jeremy Tigue
Chairman

Nicholas Moss
Director

The notes on pages 18 to 32 form an integral part of these financial statements

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months to 30 September 2015

	Unaudited 01.04.15 to 30.09.15 £'000	Unaudited 01.04.14 to 30.09.14 £'000
Notes		
Cash flows from operating activities		
(Loss)/profit for the period	(15,946)	2,673
Adjusted for:		
Losses on financial assets at fair value through profit or loss	21,804	2,765
Operating cash flows before movements in working capital	5,858	5,438
Decrease in other receivables	2,018	990
Decrease in other payables	(2,046)	(987)
Net cash generated from operating activities	5,830	5,441
Cash flows from financing activities		
Distribution	11 (5,819)	(5,464)
Net cash used in financing activities	(5,819)	(5,464)
Net increase/(decrease) in cash and cash equivalents	11	(23)
Cash and cash equivalents at beginning of period	23	76
Cash and cash equivalents at end of period	34	53

The notes on pages 18 to 32 form an integral part of these financial statements

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months to 30 September 2015

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Group's financial statements:

The Annual Report and Audited Financial Statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The Condensed Set of Financial Statements included in this Interim Financial Report have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted in the European Union.

A copy of the statutory accounts for the year ended 31 March 2015 has been delivered to the Shareholders. The auditor's report on those accounts was unmodified.

The accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Group's Unaudited Condensed Consolidated Financial Statements (the "Financial Statements"). The accounting policies applied by the Group in these Financial Statements are consistent with those applied by the Group in its financial statements for the year ended 31 March 2015.

The Company meets the definition of an investment entity under IFRS 10 'Consolidated Financial Statements' and as such, no longer consolidates the Partnership but rather values it at fair value through profit or loss as described in note 1 of the annual financial statements for the year ended 31 March 2015. The General Partner continues to be consolidated as it provides investment related services to the Company.

Going Concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

2. TAXATION

The Company is exempt from taxation in Guernsey under the provisions of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and has paid an annual exemption fee of £1,200 (2014: £600).

The General Partner is incorporated and tax resident in Guernsey, its corporate affairs being managed solely in Guernsey. The General Partner is subject to tax in Guernsey at the standard rate of 0%.

Having regard to the non-UK tax residence of the General Partner and the Company, and on the basis that the Partnership is treated as transparent for UK and Guernsey tax purposes and that the Partnership's business is an investment business and not a trade, no UK tax will be payable on either the General Partner's or the Company's shares of Partnership profit (save to the extent of any UK withholding tax on certain types of UK income such as interest).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

3. DISTRIBUTION TO SHAREHOLDERS

The Company may pay a dividend at the discretion of the Board. Following the EGM in October 2013, each dividend paid by the Company will be in the form of scrip as a default, with a cash dividend alternative, under which Shareholders may elect to receive cash in place of new Shares. New Shares issued pursuant to a scrip dividend will be issued at the applicable NAV per Share. The scrip dividends are recognised as incurred where the dividend declaration allows for a cash alternative. Dividends declared in 2015, paid on 19 August 2015 amounted to 2.10 pence per share (2014: 2.00 pence per share).

During the period ended 30 September 2015, the Company declared a dividend of £8,040,000 (30 September 2014: £7,620,000) relating to the year ended 31 March 2015 (31 March 2014). The dividend was comprised of £5,819,000 cash (2014: £5,464,000) and a scrip dividend of £2,221,000 (2014: £2,156,000).

4. INCOME

Income consists of investment income received from the Partnership.

During the period, income received from the Partnership amounted to £8,809,000 (30 September 2014: £8,019,000) of which £2,402,000 (31 March 2015: £4,422,000) remained receivable at 30 September 2015.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

5. NET LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The net losses on financial assets at fair value through profit or loss arise from the Group's holding in the Partnership. The movement is driven by the following amounts within the financial statements of the Partnership.

	Unaudited 01.04.15 to 30.09.15 £'000	Unaudited 01.04.14 to 30.09.14 £'000
Investment Income	683	1,234
Rebates and donations	993	1,785
Expenses (note 12)	(95)	(103)
Distributions (note 4)	(8,809)	(8,019)
Realised gains on financial assets at fair value through profit or loss	3,934	305
Realised losses on financial assets at fair value through profit or loss	(1,814)	-
Movement in unrealised gains on financial assets at fair value through profit or loss	6,347	16,163
Movement in unrealised losses on financial assets at fair value through profit or loss	(22,461)	(17,445)
(Losses)/gains on forward currency contracts	(861)	3,055
Gains on foreign currency	279	260
	<hr/>	<hr/>
Net losses on financial assets at fair value through profit or loss	<u>(21,804)</u>	<u>(2,765)</u>

6. CHARITABLE DONATION

In accordance with the Framework Agreement entered into between the Company and the ICR on 1 October 2012, the Group has an obligation to make a donation to charity, paid in arrears, of one-twelfth of 1% of the total NAV of the Company as at each month-end during the period, half of which is donated to the ICR and the other half to The BACIT Foundation. The BACIT Foundation grants those funds to charities named in a list proposed annually by The BACIT Foundation which includes the ICR, in proportions determined each year by Shareholders of the Company.

During the period, charitable donations accrued amounted to £2,383,000 (30 September 2014: £2,170,000) of which £2,383,000 (31 March 2015: £4,419,000) remained payable at 30 September 2015.

7. ADMINISTRATION FEE

During the period ended 30 September 2015, administration fees of £83,000 (30 September 2014: £82,000) were charged by Northern Trust International Fund Administration Services (Guernsey) Limited to the Group and £27,000 (31 March 2015: £54,000) remained payable at 30 September 2015.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss represent the movement in the underlying investment in the Partnership during the period.

	Unaudited	Audited
	30.09.15	31.03.15
	£'000	£'000
Cost of the Partnership's investments at the start of the period/year	380,977	358,244
Purchases during the period/year	32,442	91,089
Sales during the period/year	(39,122)	(63,317)
Return of capital	(321)	(2,391)
Reduction in investment (note 16)	-	(3,754)
Net realised gains on disposals during the period/year	2,119	1,106
Cost of the Partnership's investments at the end of the period/year	376,095	380,977
Net unrealised gains on investments at the end of the period/year	59,175	75,290
Other net current assets	22,077	22,884
Financial assets at fair value through profit or loss at the end of the period/year	<u>457,347</u>	<u>479,151</u>

9. TRADE AND OTHER RECEIVABLES

	Unaudited	Audited
	30.09.15	31.03.15
	£'000	£'000
Investment income receivable (note 4)	2,402	4,422
Prepayments	18	16
	<u>2,420</u>	<u>4,438</u>

10. TRADE AND OTHER PAYABLES

	Unaudited	Audited
	30.09.15	31.03.15
	£'000	£'000
Charitable donations payable (note 6)	2,383	4,419
Directors' fee payable (note 12)	25	25
Administration fee payable (note 7)	27	54
Audit and tax fee payable	30	23
Other payables	37	27
	<u>2,502</u>	<u>4,548</u>

11. SHARE CAPITAL ACCOUNT

A. Authorised Share Capital

The Company is authorised to issue an unlimited number of shares, which may have a par value or no par value, as the Directors see fit. The shares can be issued as Ordinary Shares, C Shares or other such classes and in any currency at the discretion of the Board.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

11. SHARE CAPITAL ACCOUNT (continued)

A. Authorised Share Capital (continued)

As the Company's Shares have no par value, the share price consists solely of share premium and the amounts received for issued shares are recorded in the Share Capital Account in accordance with The Companies (Guernsey) Law, 2008.

Ordinary Shares of each class carry the right to receive all income of the Group attributable to the Ordinary Shares of such class and to participate in any distribution of such income made by the Group, pro-rata to the relative calculated NAV of each of the classes of Ordinary Shares and within each such class income shall be divided pari passu among the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of such class held by them.

The Founder Share issued at the date of incorporation was redesignated, by special resolution dated 28 September 2012, as a Deferred Share and transferred to The BACIT Foundation. This non-participating non-redeemable Deferred Share has no other rights to assets or dividends, except to payment of £1 on the liquidation of the Company and carries a right to vote only if there are no other classes of voting share of the Company in issue.

	Unaudited	Audited
	Ordinary Shares	Ordinary Shares
	01.04.15 to	01.04.14 to
	30.09.15	31.03.15
	£'000	£'000
Deferred Share (1 Share issued at £1)	-	-
Ordinary Share Capital		
Balance at the start of the period/year	403,987	401,831
Issued during the period/year	2,221	2,156
	<u>406,208</u>	<u>403,987</u>
	Unaudited	Audited
	Ordinary Shares	Ordinary Shares
	01.04.15 to	01.04.14 to
	30.09.15	31.03.15
	Shares	Shares
Balance at the start of the period/year	382,867,127	380,974,677
Issued during the period/year	1,798,031	1,892,450
	<u>384,665,158</u>	<u>382,867,127</u>

B. Capital Reserves

Gains and losses recorded on the realisation of investments, realised exchange differences, unrealised gains and losses recorded on the revaluation of investments held at the period end and unrealised exchange differences of a capital nature are transferred to Capital Reserves.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

11. SHARE CAPITAL ACCOUNT (continued)

C. Basic and Diluted Earnings per Share

The calculations for the basic earnings per share attributable to the Ordinary Shares of the Group are based on the following data:

	Unaudited 01.04.15 to 30.09.15	Unaudited 01.04.13 to 30.09.14
Earnings for the purposes of earnings per share	(15,946,499)	2,672,776
Weighted average number of shares	383,272,178	381,182,639
Basic earnings per share	(4.16)p	0.70p

There is no potential for dilution therefore no diluted earnings per share is calculated.

12. RELATED PARTY TRANSACTIONS

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 in making financial or operational decisions.

The Directors are responsible for the determination of the investment policy of the Group and have overall responsibility for the Group's activities. The Group's investment portfolio is managed by BACIT (UK) Limited.

Thomas Henderson and Martin Thomas are directors of the Company and of BACIT (UK) Limited.

Each of the Directors is entitled to receive a fee of £20,000 per annum, except for the Chairman who is entitled to receive a fee of £30,000 per annum. Mr Tigue and Mr Henderson have agreed to waive their right to receive their fees.

During the period, Directors' fees paid amounted to £50,000 (30 September 2014: £50,000) of which £25,000 (31 March 2015: £25,000) remained payable at 30 September 2015.

Martin Thomas received a fee of £95,000 (30 September 2014: £nil) from the Group during the period for services provided under a consultancy arrangement relating to assisting the Group in matters not related to the investment management function. Please refer to note 13.

The Company appointed BACIT (UK) Limited as its Alternative Investment Fund Manager, which has taken over the investment management activities previously carried out by the General Partner. BACIT (UK) Limited is a wholly owned subsidiary of The BACIT Foundation.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

12. RELATED PARTY TRANSACTIONS (continued)

Director and other interests

On 9 September 2015, Jon Moulton resigned as a director and after due consideration by the Board Arabella Cecil was appointed on that date. Nicholas Moss became Chairman of the Audit Committee on the same date.

As at 30 September 2015, the Directors of the Company held the following Ordinary Shares beneficially:

Director	Number of shares 30.09.15	Number of shares 31.03.15
Jeremy Tigue	348,871	343,039
Arabella Cecil	387,282	380,801
Peter Hames	69,773	68,607
Tom Henderson*	11,742,400	16,742,400
Colin Maltby	69,773	68,607
Nicholas Moss	nil	nil
Martin Thomas	180,986	139,527

*Shares are held by Farla Limited, a company controlled by Tom Henderson.

The Group may have underlying investments which, from time to time, include investments associated with members of the Board. In no case does the member have any direct ability to influence the investment policy of the Group's portfolio investments to make, hold or dispose of such investments.

In accordance with the Group's Articles of Incorporation, 50% of the Charitable Donations are made to The BACIT Foundation. The BACIT Foundation was incorporated in England and Wales on 17 May 2012 as a private company limited by guarantee, with exclusively charitable purposes and holds the Group's Deferred Share. The amount paid to The BACIT Foundation during the six months ended 30 September 2015, in respect of the year to 31 March 2015, was £2,209,000.

The Investment Manager provides management services to the Partnership free of charge.

In accordance with the amended Deed entered into between the Company, the General Partner and Farla Limited, Farla Limited agrees to provide office space, equipment and the reimbursement of expenses of the Management Team of BACIT GP Limited, which is the same as the management team of BACIT (UK) Limited, and to either pay directly or reimburse the Group in respect of specific overheads of the Management Team up to an amount equal to £210,000 per annum.

Total expenses paid for by Farla Limited amounted to £48,000 (30 September 2014: £66,000).

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

12. RELATED PARTY TRANSACTIONS (continued)

Director and other interests (continued)

Significant agreements

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") performs administrative duties to the Group. Please refer to note 7.

Northern Trust (Guernsey) Limited also serves as custodian to the Partnership. During the period ended 30 September 2015, custodian fees of £89,000 (30 September 2014: £86,000) were charged by Northern Trust (Guernsey) Limited to the Group and £28,000 (31 March 2015: £28,000) remained payable as at 30 September 2015.

The Company has appointed BACIT (UK) Limited as the Alternative Investment Fund Manager to the Partnership. During the period ended 30 September 2015: £28,000 (30 September 2014: £nil) was recharged by BACIT (UK) Limited to the Company and £1,000 (31 March 2015: £11,000) remained payable as at 30 September 2015.

The Group receives income from the Partnership. Please refer to note 4.

13. OTHER EXPENSES

	Unaudited 30.09.15 £'000	Unaudited 30.09.14 £'000
Professional fees*	238	77
Legal fees	75	86
Group audit and tax fees	30	34
BACIT (UK) Limited out of pocket expenses (note 12)	28	-
Directors' insurance	13	13
General expenses	51	69
	435	279

* Included in professional fees above was a fee of £95,000 (30 September 2014: £nil) received by Martin Thomas.

14. OPERATING SEGMENTS

The Board has considered the requirements of IFRS 8 'Operating Segments' and concluded that the Group and Partnership's activities form a single segment under the standard, being investments in a diversified portfolio of hedge, equity and long-term alternative investment funds across multiple asset classes. The Partnership's investments are managed on a global basis. The Board, as a whole, has been determined as constituting the chief decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance and to allocate resources is the total return based on the NAV per share, as calculated under IFRS.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

15. FINANCIAL INSTRUMENTS

The financial instruments held by the Group are comprised principally of the investment in the Partnership.

Details of the Group's significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 1 of the Annual Audited Consolidated Financial Statements.

	Unaudited 30.09.15 Fair Value £'000	Audited 31.03.15 Fair Value £'000
Financial assets designated at fair value through profit or loss		
BACIT Investments LP Incorporated	457,347	479,151
Total financial assets designated at fair value through profit or loss	457,347	479,151
Other financial assets	2,454	4,461
Financial liabilities designated at fair value through profit or loss		
Other financial liabilities	(2,502)	(4,548)
Total net assets	457,299	479,064

The financial instruments held by the Partnership are comprised principally of long-only funds, hedge funds, private equity funds and real estate funds.

The table below analyses the carrying amounts of the Partnership's financial assets and liabilities held by the Partnership by category as defined in IAS 39 – "Financial Instruments: Recognition and Measurement".

	Unaudited 30.09.15 Fair Value £'000	Audited 31.03.15 Fair Value £'000
Financial assets designated at fair value through profit or loss		
Listed Investments	99,957	120,567
Unlisted Investments	335,313	335,700
Unrealised gains on open forward foreign currency contracts	-	665
Total financial assets designated at fair value through profit or loss	435,270	456,932
Other financial assets	24,905	26,675

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

15. FINANCIAL INSTRUMENTS (continued)

	Unaudited 30.09.15 Fair Value £'000	Audited 31.03.15 Fair Value £'000
Financial liabilities designated at fair value through profit or loss		
Unrealised losses on open forward foreign currency contracts	(390)	-
Other financial liabilities	(2,438)	(4,456)
Total net assets of the Partnership	<u>457,347</u>	<u>479,151</u>

Financial Risk Management

The Group's financial risk management objectives and policies are unchanged from those disclosed in the Annual Audited Consolidated Financial Statements as at and for the year ended 31 March 2015.

16. FAIR VALUE HIERARCHY

IFRS 13 requires the Group to establish a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under IFRS 13 are set as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 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) or other market corroborated inputs; and

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

16. FAIR VALUE HIERARCHY (continued)

The following table presents the Group's financial assets and liabilities by level within the valuation hierarchy as of 30 September 2015:

				Unaudited 30.09.15
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial assets at fair value through profit or loss:				
BACIT Investments LP Incorporated	-	457,347	-	457,347
Total assets	-	457,347	-	457,347
				Audited 31.03.15
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial assets at fair value through profit or loss:				
BACIT Investments LP Incorporated	-	479,151	-	479,151
Total assets	-	479,151	-	479,151

As noted below, 4.9% of the Partnership's fair value measurements consist of positions residing in Level 3 of the fair value hierarchy ("the Level 3 investments"). IFRS 13 requires the fair value measurement of the Partnership to be classified in the same level of the fair value hierarchy as the lowest level input that is significant to the overall valuation of the Partnership. Given their quantum, the Directors do not consider the Level 3 investments to be significant to the overall fair value of the investment. As such, and in accordance with IFRS 13, the Partnership investment has been disclosed within Level 2 in the fair value hierarchy. The directors have provided additional information in respect of the assets and liabilities of the Partnership below.

The following table presents the Partnership's investments by level within the valuation hierarchy as of 30 September 2015:

				Unaudited 30.09.15
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments				
Financial assets at fair value through profit or loss:				
Listed investments	95,756	4,201	-	99,957
Unlisted investments	-	314,183	-	314,183
Private equity investments	-	-	17,997	17,997
Oncology related investments	-	-	3,133	3,133
Total investments	95,756	318,384	21,130	435,270

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

16. FAIR VALUE HIERARCHY (continued)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Audited 31.03.15 Total £'000
Investments				
Financial assets at fair value through profit or loss:				
Listed investments	116,029	4,538	-	120,567
Unlisted investments	-	320,915	-	320,915
Private equity investments	-	-	12,688	12,688
Oncology related investments	-	-	2,097	2,097
Unrealised gains on open forward foreign currency contracts	-	665	-	665
Total investments	116,029	326,118	14,785	456,932

Assets classified as Level 2 investments are underlying funds fair-valued using the latest available NAV of each fund as reported by each fund's independent administrator, which are redeemable by the Group subject to necessary notice being given. Included within the Level 2 investments above are investments where the redemption notice period is greater than 90 days. Such investments have been classified as Level 2 because their value is based on observable inputs.

Assets classified as Level 3 investments are underlying Limited Partnerships which are not traded or available for redemption. The fair value of these assets is derived from quarterly statements provided by the respective Limited Partnership's independent administrators.

There were no transfers between levels during the period.

The following table presents the movements in Level 3 investments held by the Partnership for the period ended 30 September 2015:

	Oncology related Investment £'000	Private Equity Investments £'000	Unaudited 30.09.15 Total £'000	Audited 31.03.15 Total £'000
Opening Balance	2,097	12,688	14,785	13,326
Purchases	1,036	4,216	5,252	6,977
Reduction in investment*	-	-	-	(3,754)
Return of capital	-	(321)	(321)	(2,391)
Gains on financial assets at fair value through profit or loss	-	1,414	1,414	627
	3,133	17,997	21,130	14,785

*Due to accepting new investors, Infracapital Partners (NT) II LLP issued the Company with equalisation notices totalling £3,754,000 in prior periods.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

16. FAIR VALUE HIERARCHY (continued)

The net gain for the period included in the Consolidated Statement of Comprehensive Income in respect of Level 3 investments held at the period end amounted to £1,414,000 gain (30 September 2014: £8,000 loss).

The following table summarises the valuation methodologies used for the Partnership's investments categorised in Level 3 as of 30 September 2015:

Security description	Fair Value £'000	Valuation methodology	Unobservable inputs	Ranges
Infracapital Partners (NT) II LP	7,996	NAV	Valuation of underlying investments*	N/A
Permira V LP2	10,001	NAV	Valuation of underlying investments*	N/A
BACIT Discovery Limited <i>(formerly BACIT CHK1 Investment Limited)</i>	3,133	Cost	Valuation of underlying investments*	N/A

*underlying investments held considered highly illiquid

Infracapital Partners (NT) II LP and Permira V LP 2 value their investments in accordance with the International Private Equity and Venture Capital ("IPEVC") guidelines. In line with the investment methodology outlined in the IPEVC guidance, new investments are valued equivalent to the cost of the investments. The Group does not have transparency over the inputs of this valuation.

17. COMMITMENTS

The Partnership had the following commitments as at 30 September 2015:

Security description	Currency	Total Commitment in 000's	Drawn Commitment in 000's	Unaudited 30.09.15 Undrawn Commitment in 000's
Infracapital Partners (NT) II LP	Sterling	£25,000	£6,513*	£18,487
Permira V LP 2	Euro	€20,000	€9,584	£5,564
BACIT Discovery Limited <i>(formerly BACIT CHK1 Investment Limited)</i>	Sterling	£20,000	£3,133	£16,867

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

17. COMMITMENTS (continued)

Security description	Currency	Total Commitment in 000's	Drawn Commitment in 000's	Audited 31.03.15 Undrawn Commitment in 000's
Infracapital Partners (NT) II LP	Sterling	£25,000	£6,318*	£18,682
Permira V LP 2	Euro	€20,000	£5,564	£9,456
BACIT Discovery Limited (formerly BACIT CHK1 Investment Limited)	Sterling	£20,000	£2,097	£17,903

* As disclosed in Note 15, due to accepting new investors, Infracapital Partners (NT) II LLP issued the Company with equalisation notices totalling £3,754,000 in prior periods. The £6,513,000 (31 March 2015: £6,318,000) of drawn commitments includes amounts totalling £1,196,000 (31 March 2015: £874,000) of return of capital to the Company, which are not able to be redrawn as part of any future capital call. As such these have been included within the total balance for the Drawn Commitment.

Prior to the change in investment policy, the Group invested in one ICR Project, being a project to finance a programme of research to develop a CHK1 inhibitor (the "CHK1 Project") through BACIT CHK1 Investment Limited. The Group's fellow investors in the CHK1 Project were Sareum Limited, a drug discovery company, and the Pioneer Fund.

Following the implementation of the revised investment policy, the Group became an investor in the Pioneer Fund and, in doing so, contributed its existing interest in the CHK1 Project to the Pioneer Fund. The investment in the Pioneer Fund has been made through BACIT Discovery Limited (formerly BACIT CHK1 Investment Limited).

The Partnership has committed up to £20,000,000 to the Pioneer Fund. The Pioneer Fund's investment policy is to invest in projects and intellectual property assets with a life science or medical technologies focus related to oncology, including therapeutics and diagnostics. This commitment will be called by the Pioneer Fund as and when required to fund investments. The Partnership will fund future calls in the Pioneer Fund through available cash and the realisation of investments as necessary. Investment in the Pioneer Fund is valued at cost as an approximation of fair value in accordance with IPEVC guidelines. The Group does not have transparency over the inputs of this valuation.

There were no contingent liabilities as at the Condensed Consolidated Statement of Financial Position date.

The Group intends to invest up to 1% of NAV each year to acquire interests in drug development and medical innovation projects undertaken by the ICR or its subsidiaries which have the potential for commercial development and application ("ICR Projects"). To the extent less than 1% of NAV is allocated to ICR Projects in any given year, the amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2015

17. COMMITMENTS (continued)

The Group may invest in the Pioneer Fund as if it were an ICR Project, save that the Group may make up to a maximum capital commitment of £20 million (including the contribution of its existing investment in the CHK1 Project).

The amount that the Group may contribute to drawdowns of the Pioneer Fund in any one calendar year will not be subject to the one per cent. of net asset value cap otherwise applicable to investments in ICR Projects.

In the event that drawdowns by the Pioneer Fund were to exceed this cap in any one calendar year, the Group would not make any new commitments to or investments in any ICR Project unless and until the cumulative amount that has been invested by the Group in the Pioneer Fund and in other ICR Projects has not exceeded an amount equal to the aggregate of one per cent. of the Company's net asset value for each year of the Company's life. The Group currently has invested £3,133,000 in BACIT Discovery Limited with a further £7,843,000 available at 30 September 2015 to invest in ICR Projects.

18. SUBSEQUENT EVENTS

These Consolidated Financial Statements were approved for issuance by the Board on 23 November 2015. Subsequent events have been evaluated until this date.

No significant post period end events have occurred in respect of the Group that are considered material to the understanding of these Unaudited Condensed Consolidated Financial Statements.