BACIT LIMITED

ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS

MANAGEMENT AND ADMINISTRATION

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Colin Maltby
Nicholas Moss
Jon Moulton
Martin Thomas

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MANAGEMENT TEAM OF THE GENERAL PARTNER
Arabella Cecil
Thomas Henderson
John McDonald
Fenella Dernie

SUMMARY INFORMATION

Structure

BACIT Limited (the "Company") is incorporated in Guernsey as a registered closed-ended investment company. The Company's Ordinary Shares were listed on the premium segment of the London Stock Exchange ("LSE") 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
Net capital raised since launch of the Company to 31 March 2015*	202,155,679
Total capital raised by the Company (excluding share issue costs)	408,890,454

Shares in issue at 31 March 2015

	Number of shares
Ordinary shares at launch of the Company	206,734,775
Ordinary shares since launch of the Company to 31 March 2015*	176,132,352
	382,867,127

*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. Ordinary Shares issued during the year 2015 relate to the 2014 scrip dividend.

Financial Highlights

	31.03.15	**31.03.14**
Total Net Assets ('000)	£479,064	£434,850
Net Asset Value per Share	£1.25	£1.14
Market Share Price	£1.21	£1.22
(Discount)/premium to Net Asset Value	(3.2%)	7.0%

Ongoing Charges

Ongoing Charges are calculated based on weighted average Net Asset Value ("NAV"). The Ongoing Charges ratio of BACIT Limited and BACIT GP Limited (together, the "Group") and BACIT Investments LP Incorporated (the "Partnership") for the year ended 31 March 2015 was 0.21% (31 March 2014: 0.26%) excluding charitable donations and 1.28% (31 March 2014: 1.33%) 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 CRT 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.

CHAIRMAN'S STATEMENT

Dear Shareholder,

In the year to 31 March 2015 the Company's NAV total return per share was 11.5% and since launch on 26 October 2012 the annualised return has also been 11.5%.

The share price total return was 0.8% for the year as the share price moved from a premium of 7.0% to a discount of 3.2%. At 29 May 2015 the NAV was 126.77 pence per share and the share price 127.3 pence.

At the year end the Partnership was 95% invested in 32 fund positions. The report from the investment manager explains our investment strategy and performance attribution in detail.

The Company paid a dividend of 1.0 pence in 2013 and 2.0 pence in 2014. This year a scrip dividend of 2.10 pence will be paid on 19 August 2015. Shareholders will have the option to elect to receive this dividend in cash. The Board aims to continue to operate a progressive dividend policy.

In December, shareholders approved a change in our investment policy to allow the Company to commit up to £20 million to the CRT Pioneer Fund LP (the "Pioneer Fund"). At the year-end we had invested £2.1 million including our £0.8 million investment in the CHK1 inhibitor project. The Pioneer Fund is a leading European oncology research fund and is the best available way for us to meet our commitment to invest up to 1% of our NAV each year into cancer research.

In respect of this year we are making charitable donations of £2.2 million to The Institute of Cancer Research and £2.2 million to The BACIT Foundation for onward distribution to the nominated charities.

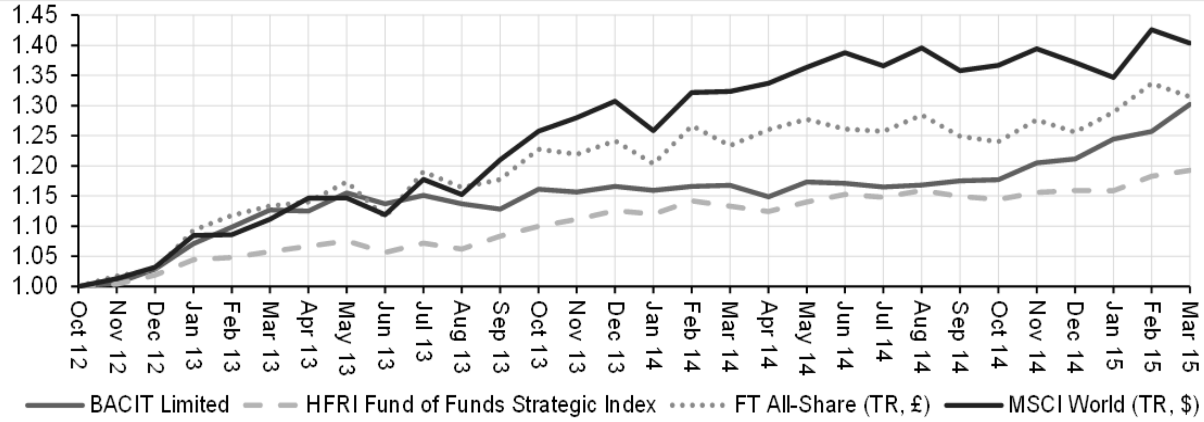
The Company has achieved a huge amount over the last two and a half years and is in a very strong position to continue generating strong investment returns and a rising stream of charitable donations. I would like to thank the managers we invest in, our advisors, my fellow directors and above all the management team for contributing to this success.

Jeremy Tigue
Chairman
6 July 2015

REPORT OF THE MANAGEMENT TEAM OF BACIT (UK) LIMITED

In conformity with the UK rules that implement the Alternative Investment Fund Managers Directive, BACIT (UK) Limited was appointed fund manager on 19 December 2014. The Management Team is unchanged since the Company's inception. As the Company holds no investments other than its holding in the Partnership, the analysis shown hereafter is substantially that of the performance of the Partnership's portfolio. The table and chart below set out the Company's performance, and that of some market indices during the last twelve months, and since the Company's inception.

	12m	ITD
BACIT Total NAV Return	11.5%	30.2%
BACIT Share Price	-0.8%	25.4%
MSCI World TR ($)	6.0%	40.3%
FT All Share TR (£)	6.6%	31.5%
Fund of Funds Index ($)	5.1%	19.1%



The Company started the financial year with 90.4% of NAV invested, and ended it with 104.2% committed, 94.8% of which had been invested across 31 underlying funds and 23 managers. On average the portfolio was 92.9% invested during the year. In addition to these 31 funds, having acquired shareholder approval in December 2014, the Company's investment in the Institute of Cancer Research's CHK1 project was transferred to the Pioneer Fund, as part of an eight year £20 million commitment to funding that entity.

Two holdings were increased and three new funds added to the portfolio during the financial year. The Company also met capital calls from its three private equity investments, Infracapital II, Permira V and the Pioneer Fund mentioned above. We actively exploit the liquidity mismatch that is possible with the Company's structure, when we believe the Company will be compensated for locking up capital for a longer period.

The portfolio has been long the US Dollar since launch, as a secondary effect of BACIT's current policy of not hedging out US Dollar exposure acquired by investing in US Dollar denominated share classes. The typical inverse relationship of the US Dollar to risk assets in times of market stress has the effect of dampening the volatility of the Company's NAV. At 31 March 2015, 52.3% of the portfolio was invested into US Dollar share classes which have been left unhedged, and 13.1% invested into Euro denominated share classes which are hedged back into Sterling, following the Company's stated policy. Clearly this does not take into account currency exposures inherent within the investee funds' portfolios.

REPORT OF THE MANAGEMENT TEAM OF BACIT (UK) LIMITED (continued)

Net Long Risk Assets
The portfolio remains predominantly invested into funds focussed on listed equities (54.1% of NAV at the financial year end), though within this the allocation to long-short managers has continued to increase. We exited some small positions as a part of this process but, as anticipated, manager turnover remains low. The portfolio continues to have limited exposure to the fixed income and credit markets whilst yields and spreads are at or near historic lows, and the credit exposure that the Company does have is idiosyncratic, hedged, or backed by cashflows which are not directly interest-rate sensitive.

We added three new managers to the portfolio during the financial year: Zebedee Growth Fund, a European focussed long-short equity manager, and two macro funds, Seia Global Fund and Parity Value Fund. We also added to two European holdings during the year: Maga Smaller Companies Fund, a long-short equity manager, and WyeTree European Recovery Fund, a manager of securitised mortgages.

We met four capital calls from Infracapital II during the course of the year; however the receipt of equalisation payments as the fund accepted and then closed to new investors in late 2014 reduced the total drawdown from 41% to 33% of BACIT's £25 million commitment. The Infracapital management continues to make progress with the acquisitions to date: Affinity Water in the Greater London area, the Calvin Capital gas and electricity metering business in the UK, and a power supply company in Sweden. The Infracapital fund has sight of three further opportunities which the manager informs us, if executed, would take capital commitments to 71% during the course of 2015.

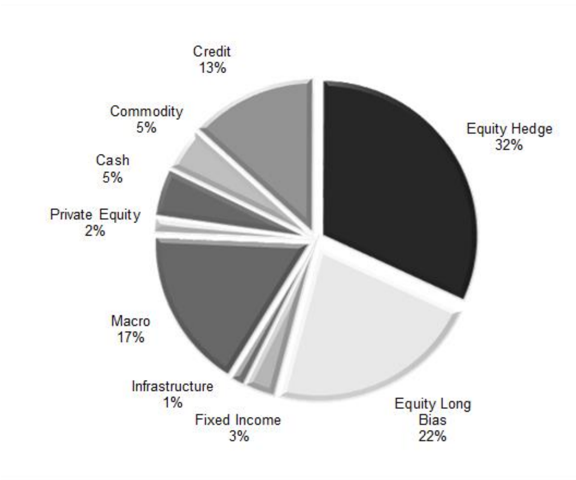
We also met five capital calls during the year from Permira V, which had allocated 48% of your Company's €20 million capital commitment at 31 March, making eleven investments in the process. As previously noted the Company has committed £20 million to the Pioneer Fund, which has now in turn allocated £30 million of the total £70 million fund to five investments. The Pioneer Fund has two additional drug candidates in view, taking it almost halfway to its target portfolio of fifteen investments over the life of the fund.

As we have advised in previous Management Reports, given the Company's ability to raise cash at short notice from its existing holdings, the Company was not expected to match cash liquidity to outstanding commitments regarding private infrastructure and private equity investments in time. At the year end this was the case, with £46.0 million of undrawn commitments, and £22.6 million of cash on hand.

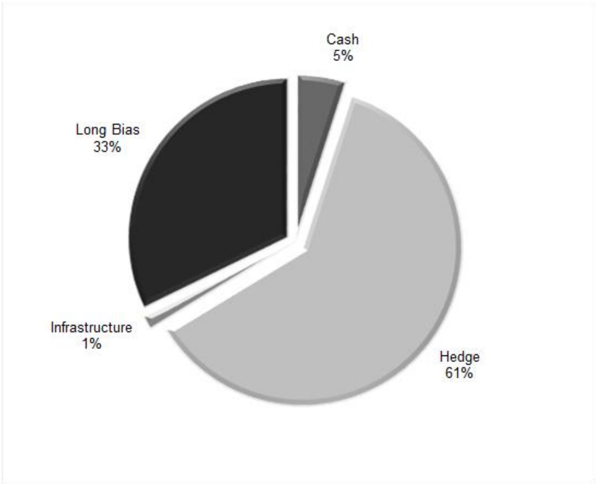
REPORT OF THE MANAGEMENT TEAM OF BACIT (UK) LIMITED (continued)

Net Long Risk Assets (continued)

ASSET ALLOCATION (% OF NAV)

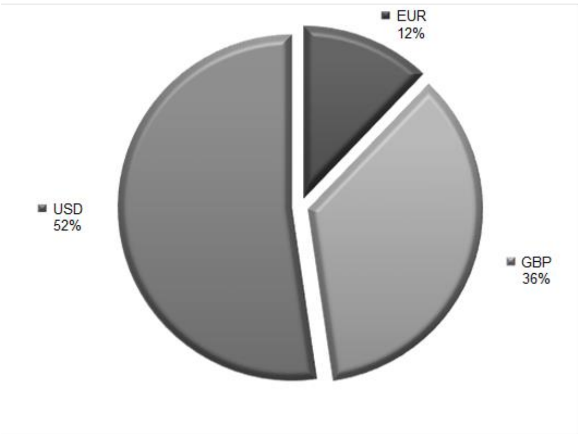


FUND STRATEGY ALLOCATION (% OF NAV)

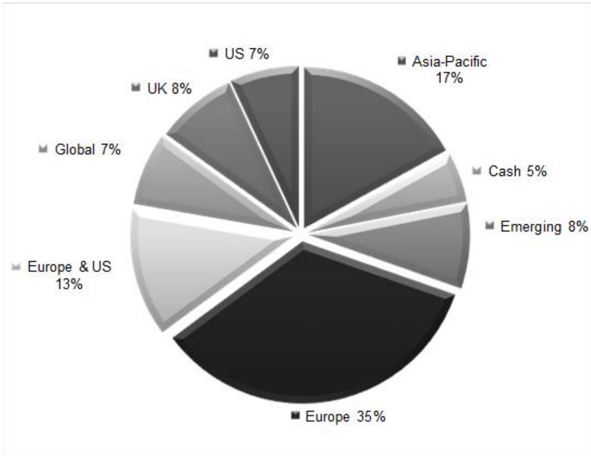


DENOMINATION OF INVESTMENTS (% OF NAV)

US$ Unhedged, € Hedged into GBP



STRATEGY GEOGRAPHICAL FOCUS (% OF NAV)



Flexible Approach Permitting Resilience in Down Markets

As stated on several occasions since the Company's inception, resilience in down markets is a core ambition of the portfolio's construction. To this end we have allocated capital to a variety of asset classes, to hedged portfolios, and to managers with histories of protecting capital. The proportion of NAV allocated to managers running hedged strategies increased from 53.3% to 61.6% during the financial year. Within the long biased managers, the proportion allocated to unlisted assets increased slightly during the year (from 3.1% to 3.2%), and investors should expect this to rise further, as the private equity managers draw down their commitments.

Although it is early in the Company's life, we are pleased to note that during the eleven months since BACIT's inception for which the FTSE All Share Total Return Index has fallen, with a total cumulative loss of 21.9%, your Company's performance during those months has totalled +0.5%.

A description of the portfolio by category follows, showing how broad-based the performance contributions were across the portfolio during this financial year.

REPORT OF THE MANAGEMENT TEAM OF BACIT (UK) LIMITED (continued)

Consolidated Portfolio Statement: Category Descriptions

Equity Funds (22.1% from 25.3% at 31 March 2014)

Japanese and UK equities account for the bulk of these investments. The Japanese investments are held in sterling and dollar denominated share classes, protecting the Company from the effect of Yen devaluation. The Japanese markets continued upwards, supported by loose monetary policy and a range of reforms which constitute a profound shift in thinking for the Japanese. This combination was supportive of our managers' positioning, while the UK proved to be a mixed market in the run up to the General Election. Our Russian equity manager outperformed a difficult market, and benefited from the dramatic recovery in equity prices in early 2015.

Equity Hedge Funds (31.8% from 27.7%)

The managers in this group are geographically focussed – predominantly on the UK and Continental Europe, South and sub-Saharan Africa, and the US – and sector-biased, on mining. The slow recovery in Europe was boosted by the European Central Bank's actions in late 2014. The uncertainty created by this increased the volatility of equity markets in the region and challenged our managers. While they still contributed positively to the Company's performance, the African and US elements made still larger contributions.

Commodity Funds (4.5% from 9.8%)

Through this group the Company is exposed to globally-traded agricultural commodities; European, Australasian and North American electricity prices; oil, natural gas, and coal. The volatility of commodity asset prices means that these funds' risk management is critical. Trades are principally expressed through futures and other derivatives to create asymmetric risk-reward profiles. The managers' performances to date have been uncorrelated with one another, and with commodity and equity markets. Once again, individually and as a group they contributed significantly to NAV during the financial year.

Fixed Income and Credit Funds (16.6% from 14.0%)

There are four sub-sets in this category. The inflation-linked investment (3.1% of NAV) is self-descriptive. Two of the funds (3.3%) are predominantly invested in private credit opportunities, and subject to the credit work having been done correctly, should be uncorrelated to the wider credit markets. These are fixed life vehicles which run off over the next three years, and which are now returning capital to investors. Two of the funds (4.8%) employ credit arbitrage and unlike the other funds in this category, leverage in doing so. Finally, two of the holdings (4.4%) give the Company exposure to the healing housing markets in the US and Europe through securitised mortgages, underpinned by real cashflows. All the funds in this group contributed strongly to performance during the year.

Global Macro Funds (16.6% from 8.9%)

The four funds in this group pursue global macro strategies which are differentiated from each other in terms of geographic focus and instruments engaged. Market volatility increased in currency markets during the period, with the ending of Quantitative Easing ("QE") in the US and UK, and its acceleration in Continental Europe and Japan. Should this volatility spread to the fixed income, credit and equity markets, as typically happens at inflection points in monetary and economic cycles, these funds should be well placed to exploit opportunities arising therein. This group made a solid contribution to the Company's performance during the year to March 2015.

REPORT OF THE MANAGEMENT TEAM OF BACIT (UK) LIMITED (continued)

Other Strategies (3.2% from 3.1%)
This group includes three funds which make private investments into unlisted entities, and which are thus less likely to be market sensitive in terms of pricing. Whilst Infracapital is already starting to show significant gains from its investments, all three are at the acquisition phase of investment and the main return generation phase is just beginning.

Since the Financial Year End
Since the Company's financial year end on 31 March, US economic and earnings data have been mixed. This has delayed market expectations of the first US rate hike since 2007, to December 2015. This, and the unexpectedly definitive outcome to the UK election, have contributed to Sterling strengthening by 5% against the US Dollar during the period.

Fixed income markets, which have substantially synchronised in recent years with the co-ordinated efforts of the Central Banks, have also sold off globally leaving yields higher than they were at the start of 2015. There is now a broad recognition that a side-effect of the regulations introduced since the Crisis has been to drain liquidity from these markets. This does not increase their attractions to the Company.

Finally, the Japanese Central Bank Governor is now stating publically that the Yen's devaluation has gone far enough. This suggests that notwithstanding the current QE programme, the Abe administration's emphasis is now genuinely on reforms and corporate governance, rather than further market intervention. The impacts of rising share buybacks, dividend pay-outs, unwinding of cross-holdings, and so on, are all contributing to the increased returns on capital that are now being generated for shareholders.

Turning to the purpose of the Company and the annuity-like income stream you have created by investing in it, in December 2014 the Company sought and acquired investors' approval to invest into the Pioneer Fund. This is listed as "BACIT Discovery Ltd" in the following pages, which is the company through which the investment has been made. Since the year end the Pioneer Fund has issued a further drawdown to meet the requirements of the existing five drug candidates, and with another two investments in sight we expect the rate of these drawdowns to accelerate.

As the Chairman has described, donations totalling £4.4 million will become available to the charities on the Company roster. Half of this sum will go directly to the ICR and the destination of the balance will be for holders of shares at 31 March 2015 to determine. Any unallocated monies will be split equally between the selected charities.

Thanks
The Company has made solid progress during its second full financial year, for which we are enormously grateful to the managers. We cannot overemphasise this: BACIT exists only because of their generosity.

We welcome the approach of managers with a track record of delivering attractive returns, and are pleased to report that increasing numbers are doing so.

Finally, thanks are due to the investors for the support they have given the Company to date, and the trust they have placed in us to meet the dual ambitions of delivering absolute returns, and an annuity-like income stream which may play a growing role in defeating cancer. We look forward to reporting later in the year.

BACIT (UK) Limited Management Team
6 July 2015

DIRECTORS' REPORT

The Directors present their Annual Report and Audited Consolidated Financial Statements for the year ended 31 March 2015 which have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.

The Directors of the Group, all of whom are non-executive, are listed below:

Jeremy Tigue (Chairman), aged 55, has more than 30 years' investment experience. He joined F&C Management in 1981 and was the fund manager of Foreign & Colonial Investment Trust Plc from 1997 to 2014. He was a Director of the Association of Investment Companies from 2003 to 2013 and was Chairman of the Institutional Shareholder Committee from 2006 to 2008. He is a Director of Graphite Enterprise Trust PLC and The Mercantile Investment Trust plc, The Monks Investment Trust PLC and Standard Life Equity Income Trust PLC. Mr Tigue is a resident of the UK.

Peter Hames, aged 53, is a non-executive director of Polar Capital Technology Trust Plc and MMIP Investment Management Limited. He is an independent member of The Operating Committee of Genesis Asset Managers LLP as well as serving on a number of Genesis fund boards. Mr Hames started his investment career working for The Iveagh Trustees Limited, a family office which handled the financial affairs of various members of the Guinness family. In 1990 he joined Aberdeen Asset Management PLC and, in 1992, he relocated to Singapore where he co-founded Aberdeen Asset Management Asia Limited. As Director of Asian Equities he oversaw regional fund management teams responsible for running a number of top-rated and award winning funds. He also played an important role in the development of Aberdeen's Global Emerging Market products. He left Aberdeen in 2010. Mr Hames is a resident of Guernsey.

Thomas Henderson, aged 49, has 26 years' experience working in the financial markets, investing in the UK, Continental Europe, Russia and the United States. He is the founder and investment manager of New Generation Haldane Fund Management Limited (previously Eden Capital). Previously, Mr Henderson was a portfolio manager for Moore Capital and prior to that worked with Cazenove & Co. in London and New York. Mr Henderson is a resident of the UK.

Colin Maltby, aged 64, is a Director of Abingworth BioEquities Fund Limited, Ocean Wilsons Holdings Limited and BH Macro Limited and a member of the Supervisory Board of BBGI SICAV SA. He was Head of Investments at BP from August 2000 to June 2007 and was previously Chief Investment Officer of Equitas Limited from its formation in 1996. His career in investment management began in 1975 with NM Rothschild & Sons and included 15 years with the Kleinwort Benson Group, of which he was a Group Chief Executive at the time of its acquisition by Dresdner Bank AG in 1995. He was Chief Executive of Kleinwort Benson Investment Management from 1988 to 1995. Mr Maltby is a Fellow of Wolfson College, Oxford, a Fellow of the Royal Institution of Great Britain and of the Royal Society of Arts, and a member of the Institut National Genevois. Mr Maltby has served as a non-executive Director of various public companies and agencies, and as an advisor to numerous institutional investors, including pension funds and insurance companies, and to private equity and venture capital funds in both Europe and the United States. He is currently an Investment Advisor to Wolfson College, Oxford. Mr Maltby is a resident of Switzerland.

DIRECTORS' REPORT (continued)

Nicholas Moss, aged 55, is a founding member and executive director of the Virtus Trust Group, a Guernsey and US based international fiduciary, corporate services and investment consulting business. He has extensive experience in the structuring and administering of complex onshore and offshore structures for corporates and ultra-high net worth families as well as being specifically involved in the selection of investment managers and funds for his clients and their subsequent evaluation and ongoing monitoring. Previously he spent 16 years at Rothschild where latterly he was a managing director within that group's trust division. He holds a selected number of non-executive Board appointments including the London-listed BH Global Limited and Carador Income Fund PLC. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a resident of Guernsey.

Jon Moulton, aged 64, is a Fellow of the Institute for Turnaround and a Corporate Finance faculty member in the Institute of Chartered Accountants in England and Wales. Mr Moulton is the founder of the private equity firm Better Capital and Chairman of FinnCap the stockbroker as well as a director of a number of unlisted companies. Mr Moulton is also a Director and Chairman of the Channel Islands Securities Exchange. He was previously the Managing Partner and founder of Alchemy Partners. From 1985 to 1994 he was the Managing Partner and founder of Schroder Ventures, where he focused on LBOs and venture capital. Between 1994 and 1997 Mr Moulton was the Director in charge of LBOs at Apax Partners. He is a trustee of two medical research charities. Mr Moulton is a resident of Guernsey.

Martin Thomas, aged 52, is Chairman of Lancashire Holdings Limited and partner and board member of Altima Partners LLP. Previously, he was an official of the Bank of England, most recently on secondment to the EU Commission where he worked in the Financial Services Policy and Financial Markets Directorate of the Internal Market and Services Directorate General. Before Mr Thomas joined the EU Commission he established the Financial Markets Law Committee at the Bank of England. Previously he was Deputy Chief Executive of the Financial Law Panel and, prior to that, senior counsel to the European Central Bank in Frankfurt. Mr Thomas started his career in private practice, specialising in corporate and commercial litigation at Travers Smith and in the law and regulation of financial services at Clifford Chance. Mr Thomas is a resident of the UK.

DIRECTORS' REPORT (continued)

The following summarises the Directors' directorships in other public companies:

Company Name	Stock Exchange
Jeremy Tigue	
Graphite Enterprise Trust Plc	London
The Mercantile Investment Trust Plc	London
The Monks Investment Trust PLC	London
Standard Life Equity Income Trust PLC	London
Peter Hames	
Genesis Emerging Markets Investment Company SICAV	Luxembourg
Genesis Smaller Companies SICAV	Luxembourg
Polar Capital Technology Trust plc	London
The Smaller Companies Portfolio of the Genesis Emerging Markets Opportunities Fund Limited	Ireland
Thomas Henderson	
None	
Colin Maltby	
BBGI SICAV SA	London
BH Macro Limited	London, Bermuda and Dubai
Ocean Wilsons Holdings Limited	London and Bermuda
Nicholas Moss	
BH Global Limited	London, Bermuda and Dubai
Carador Income Fund PLC	London
Jon Moulton	
Better Capital PCC Limited	London
Martin Thomas	
Lancashire Holdings Limited	London and Bermuda

This does not include Channel Island Securities Exchange listed companies.

DIRECTORS' REPORT (continued)

Principal Activity
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) (incorporated 8 November 2013) a wholly-owned subsidiary of the Partnership. BACIT Limited and BACIT GP Limited are collectively referred to as the "Group".

Adoption of new accounting standards
The Group has adopted IFRS 10 'Consolidated Financial Statements', including the Amendments, 'Investment Entities (Amendments to IFRS 10)'. 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 no longer consolidated in the Group's financial statements and relevant comparative figures have been restated.

Share buyback facility
The Company has the authority, subject to various terms as set out in its Articles and in accordance with The Companies (Guernsey) Law, 2008, to acquire up to 14.99% of the Shares in issue. The Company intends to renew this authority annually. The Directors have no current intention to utilise this authority.

Investment Objective and Policy
The Group's investment objective is to deliver superior returns from investments in leading long-only and alternative investment funds across multiple asset classes and 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 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. The investment in the Pioneer Fund was approved at the Extraordinary General Meeting held on 15 December 2014, further details of which are below.

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 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 7 for details.

DIRECTORS' REPORT (continued)

Investment Objective and Policy (continued)

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 amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased, although there is no current obligation to do so.

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

Going Concern

The Company has been established with an indefinite life. However, the Company's Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017. The vote will require more than 50% of the votes cast on the resolution to be in favour to require the Directors to formulate proposals, to be put to Shareholders within six months of such resolution being passed, for the reorganisation or reconstruction of the Company. These proposals may or may not involve winding up the Company or liquidating all or part of the Company's then existing portfolio and there can be no assurance that a discontinuation vote will necessarily result in the winding up of the Company or liquidation of all or some of its investments. A special resolution of the Shareholders with 75% or more of the votes cast being in favour of the resolution is required to wind up the Company.

The Group's assets currently consist mainly of securities which are readily realisable and the Group has limited liabilities and accordingly, the Group has adequate financial resources to continue in operational existence for 12 months following the approval of the financial statements. Hence the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

DIRECTORS' REPORT (continued)

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 36. During the year ended 31 March 2015, the Company declared a dividend of £7,620,000 (31 March 2014: £2,067,000) relating to the year ended 31 March 2014 (31 March 2013). The dividend was comprised of £5,464,000 (2014: £2,067,000) cash and a scrip dividend of £2,156,000 (2014: £Nil). Refer to note 3 for details.

Manager and Investment Advisor

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. The members of the Management Team are disclosed in the Management and Administration summary on page 1. Since 19 December 2014, the investment portfolio has been managed by BACIT (UK) Limited, which is regulated by the Financial Conduct Authority. The management team of BACIT (UK) Limited is the same as that of the General Partner.

Not all members of the Management Team work full time for the Group. The Directors and members of the Management Team may from time to time, in their sole discretion, act as officers or directors of, or managers or investment advisors to, other investment funds or in respect of other clients and may hold board positions or have other business relationships with managers or investments with or in which the Group also invests. They may also make investments, either in a personal capacity, or on behalf of other clients, with managers or in investments with or in which the Group also invests.

The services of the Management Team are provided free of charge. In accordance with the amended Expenses Deed Agreement (the "Deed") dated 1 October 2012 entered into between the Company, the General Partner and Farla Limited, Farla Limited provides office space and equipment for the Management Team and covers specific overheads up to an amount equal to £210,000 per annum. Farla Limited will, at their discretion, continue to bear expenses above £210,000. During the year ended 31 March 2015, total expenses paid for by Farla Limited amounted to £100,000 (31 March 2014: £125,000).

Directors and other interests

As at 31 March 2015, Directors of the Company held the following Ordinary Shares beneficially:

Director	Number of shares 31.03.15	Number of shares 31.03.14
Jeremy Tigue (Chairman)	343,039	337,120
Peter Hames	68,607	67,424
Thomas Henderson *	16,742,000	16,742,400
Colin Maltby	68,607	67,424
Nicholas Moss	Nil	Nil
Jon Moulton	1,017,559	1,000,000
Martin Thomas	139,527	137,120

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

DIRECTORS' REPORT (continued)

Corporate Governance

To comply with the UK Listing Regime, the Company must comply with the requirements of the UK Corporate Governance Code (the "UK Code") or explain any departures therefrom. The Company is also required to comply with the Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "GFSC Code").

The Board considers that reporting against the principles and recommendations of the UK Code provides appropriate information to Shareholders. Companies reporting against the UK Code are deemed to comply with the GFSC Code.

The Company has complied with the relevant provisions of the UK Code, except for the following:

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; and
- whistle-blowing policy.

For the reasons set out in the UK Code, the Board considers these provisions are not relevant to the position of the Company as being an investment company. The Company has therefore not reported further in respect of these provisions. The Directors are non-executive and the Company does not have employees, hence no whistle-blowing policy is required. Details of compliance are noted in the succeeding pages.

Due to the Company's premium listing on the LSE, the Company is required to disclose its Environmental Policy but this is not applicable due to the nature of its operations.

There have been no other instances of non-compliance.

Composition and Independence of the Board

The Board currently consists of seven non-executive Directors, all of whom are independent with the exception of Mr Henderson and Mr Thomas. Under the UK Code, Mr Henderson is not considered to be independent by reason of his significant shareholding and role within the Group. Mr Thomas also is not considered to be independent by reason of his role within the Group.

The Chairman of the Board is Jeremy Tigue. Biographies for all the Directors can be found on pages 9 and 10. In considering the independence of the Chairman, the Board has taken note of the provisions of the UK Code relating to independence and has determined that Mr Tigue is an Independent Director.

The Board is responsible for the appointment and monitoring of all service providers to the Group.

The Board holds quarterly Board meetings while the Audit Committee and Nomination Committee meet at least three times a year and once a year, respectively. In addition, there are a number of ad-hoc meetings of the Board to review specific items between the regular scheduled quarterly meetings.

DIRECTORS' REPORT (continued)

Composition and Independence of the Board (continued)

Attendance at the Board, Audit and Nomination Committee meetings during the year was as follows:

	Scheduled Quarterly Board Meetings	Audit Committee Meetings	Nomination Committee Meetings
Number of Meetings Held	**4**	**3**	**1**
Jeremy Tigue (Chairman)	4	1*	1
Peter Hames	4	1*	1
Thomas Henderson	4	1*	1
Colin Maltby	4	3	1
Nicholas Moss	4	3	Not a member
Jon Moulton	4	3	Not a member
Martin Thomas	4	3*	1*

**in attendance*

At the Board meetings the Directors review the management of the Group's assets and all other significant matters so as to ensure that the Directors maintain overall control and supervision of the Group's affairs.

At each annual general meeting of the Company, all the Directors at the date of the notice convening the annual general meeting shall retire from office and each Director may offer himself for election or re-election by the Shareholders. In accordance with the Articles, no person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that such Director has attained the age of 70 years or any other age.

All general meetings of the Company shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Directors from time to time.

The Board, Audit Committee and Nomination Committee undertake an evaluation of their own performance and that of individual Directors on an annual basis. This includes a formal process of self-appraisal together with the Chairman reviewing each member's performance, contribution and commitment to the Group. The Group's Nomination Committee has, at its first meeting, considered the Davies Report and its implications to the Group. Mr Thomas served as Senior Independent Director during the year, and in that capacity reviewed the performance of the Chairman. Mr Thomas is no longer considered to be independent, by reason of his role within the Group, and accordingly ceased to be Senior Independent Director on 7 July 2014; Colin Maltby was appointed to that role with effect from 7 July 2014. The Chairman also has responsibility for assessing the individual Board members' training requirements.

DIRECTORS' REPORT (continued)

Composition and Independence of the Board (continued)

The Board needs to ensure that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy. In seeking to achieve this, the Directors have set out the Company's investment objective and policy and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report the Board has sought to provide further information to enable Shareholders to have a fair, balanced and understandable view.

Management Committee

The Board has not deemed it necessary to appoint a management committee as a result of being comprised wholly of non-executive Directors. The Board is responsible for the review of the performance of the Management Team in relation to the performance of the investment portfolio.

Audit Committee

The Group's Audit Committee conducts formal meetings at least three times a year. Full details of its structure, duties and assessments during the year are presented in the Report of the Audit Committee on pages 24 to 28.

Nomination Committee

The Company has established a Nomination Committee with the primary purpose of filling vacancies on the Board. The Nomination Committee reviews the Board structure, size and composition, to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of that Director, and to make a statement in the annual report about its activities. The Nomination Committee chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and reviews its own performance at least once a year, reviews composition and terms of reference and recommends any changes it considers necessary to the Board for approval. The Nomination Committee meets at least once a year and otherwise as required. The Nomination Committee is appointed by the Board and is made up of at least three members. The Nomination Committee is chaired by Colin Maltby and its members are Peter Hames, Thomas Henderson and Jeremy Tigue.

Strategic Advisory Committee

The Partnership has access to members of a Strategic Advisory Committee, appointed by the Management Team, which can provide advice to the General Partner on strategic matters regarding the implementation of the Group's investment policy. The Strategic Advisory Committee currently comprises John Chatfeild-Roberts, Greg Coffey, Anne West and Chris Wood. This composition may change from time to time in the event of the resignation of existing members or the appointment, as determined by the General Partner, of additional committee members. There are no specific eligibility requirements for membership of the Strategic Advisory Committee, but the members may include senior representatives of certain investment managers with whom the Group invests. In such a case, the relevant members will be asked not to participate in any discussion regarding any investment in relation to which he or she may have a conflict of interest.

DIRECTORS' REPORT (continued)

Remuneration Committee

As all the Directors are non-executive, the Board has resolved that it is not appropriate to form a remuneration committee. Directors' remuneration is considered on an annual basis. The Board's collective fees shall not exceed £500,000 in any financial year. The Board may grant reasonable additional remuneration to any Director who performs any special or extra services to, or at the request of, the Group. Further, the Directors shall be paid all reasonable travelling, hotel and other expenses properly incurred by them in and about the performance of their duties. Directors' and Officers' liability insurance cover is maintained by the Group on behalf of the Directors. Refer to the Directors' Remuneration Report on page 23 for details of fees paid to the Directors during the year.

Principal Risks and Uncertainties

The Board has drawn up a risk assessment matrix, which identifies the key risks to the Group. These fall into the following broad categories:

- Investment Risks: The Group is exposed to the risk that its portfolio fails to perform in line with the Group's objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Management Team at each quarterly Board meeting, paying particular attention to the constitution of the portfolio and its service providers and to the performance and volatility of underlying investments.
- Operational Risks: The Group is exposed to the risks arising from any failure of systems and controls in the operations of the Management Team or its service providers. The Board receives reports annually from the Administrator on their internal controls.
- Accounting, Legal and Regulatory Risks: The Group is exposed to risk if it fails to comply with the regulations of the UK Listing Authority or if it fails to maintain accurate accounting records. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements.
- Financial Risks: The financial risks, including market, credit and liquidity risk, faced by the Group, where appropriate, are set out in note 16 on pages 58 to 64. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting. The risks in this note do not solely reflect the risks of the underlying investment portfolios of the financial assets at fair value through profit or loss ("investment entities") in the Group's Consolidated Statement of Financial Position. The Group has very significant indirect exposure to a number of risks through the underlying portfolios of the investment entities however this is the intention of the Group in order to seek to achieve capital gains. There is no sensible mechanism to "control" these risks without considerably prejudicing return objectives. Due to the lack of transparency in many of the underlying assets it is not possible to quantify or hedge the impact of these risks on the portfolio as each investment entity may have complex and changing risk dynamics that are not observable or predictable. These risks will include extensive interest, foreign exchange and other market risks which are magnified by significant gearing in many cases, resulting in increased liquidity and return risk.

The Board seeks to mitigate and manage these risks through continual review, policy-setting and enforcement of contractual obligations and will update the risk assessment matrix to reflect any changes to the control environment.

DIRECTORS' REPORT (continued)

Foreign Account Tax Compliance Act

For purposes of the US Foreign Account Tax Compliance Act, the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number (WPC4ID.99999.SL.831), and can be found on the IRS FFI list. The responsible officer is Martin Thomas.

The Company is subject to Guernsey regulations and guidance based on reciprocal information sharing inter-governmental agreements which Guernsey has entered into with the United Kingdom and the United States of America. The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

UK-Guernsey Intergovernmental Agreement

The States of Guernsey signed an intergovernmental agreement with the UK ("UK-Guernsey IGA") on 22 October 2013, under which mandatory disclosure requirements will be required in respect of account holders who have a UK connection. The Board is monitoring implementation of the UK-Guernsey IGA with the assistance of its professional advisers.

Alternative Investment Fund Managers Directive

On 19 December 2014, the Company appointed as its Alternative Investment Fund Manager, BACIT (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. BACIT (UK) Limited has taken over the investment management activities previously carried out by BACIT GP Limited. The Company will seek to minimise the cost impact of this where possible; nonetheless, there will be an increase in investment management costs, including regulatory and compliance costs recharged by BACIT (UK) Limited to the Company, as a result.

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

Dependence on Farla Limited, Mr Henderson and Others

Mr Henderson and the rest of the Management Team have each agreed to work for the Group without remuneration and Farla Limited (a company controlled by Mr Henderson) will meet certain running costs of the Group up to an amount equal to £210,000 per annum. Farla Limited may terminate the Deed at any time on 12 months' notice, or immediately in certain specified circumstances. There is no obligation on Farla Limited to provide support in relation to the appointment of new management prior to any decision to cease to be involved with the Group. Mr Henderson has a developed network of contacts in the asset management industry, from which many of the Group's investment opportunities have arisen. Should Mr Henderson cease to be involved with the Company, it may be more difficult for the Group to source investment opportunities on a ''gross return'' basis. The Company is subject to the risk that Farla Limited, Mr Henderson or certain other individuals will cease to be involved with the Group and that no suitable replacement will be found who is willing to work without remuneration from the Group and/or to pay the same Group expenses, which could have a material adverse impact on the ability of the Group to successfully implement its investment policy. Should Mr Henderson cease to be involved with the Company and the Directors be unable to recommend alternative arrangements for the management of the Company's investments, the Directors may be obliged to put proposals to Shareholders regarding the discontinuance of the Company. During the year, total expenses paid for by Farla Limited amounted to £100,000 (2014: £125,000).

BACIT Foundation

As discussed in the Group's investment objectives and policy, 0.5% of one-twelfth of the total NAV of the Company at each month-end during the year is donated annually by the Group to the ICR. Another 0.5% is donated to The BACIT Foundation, and is then donated, net of running expenses, by the BACIT Foundation to the charities named in the list set out elsewhere in this annual report. There is a formal process allowing the Board to scrutinise the list, and this has been duly conducted.

The BACIT Foundation's trustees consider carefully which charities to include in the list, aiming to make sure both that expectations raised during the establishment of the Company are met, and that the Company's shareholders, when given their opportunity to allocate the donation among charities, have an appropriate range to choose from.

The charitable objects of The BACIT Foundation relate primarily to the prevention, treatment, cure and ultimately eradication of cancer, but also cover diseases allied to cancer, and such other charitable objects and organisations as the Foundation may from time to time consider desirable. The trustees have considered a number of requests for funding that have been received as a result of the publicity attendant at the Company's launch. These applications have been predominantly received from charities associated with cancer in all of its forms, and that, too, has operated to inform the trustees' decision.

If the NAV of the Company grows, so too will the amount that is to be donated by the Group to the charities selected by The BACIT Foundation and, over time, the trustees intend to respond to this hoped-for growth with an increasingly sophisticated charity selection, monitoring and impact measurement process.

Relations with Shareholders

The Net Asset Value figures are published monthly via Regulatory News Service and are also available on the Company's website, www.bacitltd.com. The Directors receive regular feedback, with assistance from the Company's broker, from institutional shareholders, which is reported to the Board and the Chairman. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance, whose contact details can be found on page 1. In addition, Board members will be available to respond to shareholders' questions at the Annual General Meeting.

Jeremy Tigue Chairman	Jon Moulton Director

6 July 2015

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement
We confirm that to the best of our knowledge,

- the financial statements have been prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as a whole;

- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy; and

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

- these financial statements include information and details in the Chairman's Statement, the Directors' Report, the Report of the Management Team of BACIT (UK) Limited and the notes to the financial statements, which provide a fair review of the information required by:

  (a) DTR 4.1.8 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company; and
  (b) DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

Signed on behalf of the Board by:

Jeremy Tigue Chairman	Jon Moulton Director

6 July 2015

DIRECTORS' REMUNERATION REPORT

Introduction
An ordinary resolution for the approval of the annual remuneration report will be put to the Shareholders at the annual general meeting to be held in 2015.

Remuneration Policy
All Directors are non-executive and a Remuneration Committee has not been established.

The Articles of Association provide that, unless otherwise determined by ordinary resolution, the number of the Directors shall not be less than two and the aggregate remuneration of all Directors in any twelve month period, or pro rata for any lesser period, shall not exceed £500,000 or such higher amount as may be approved by ordinary resolution. Subject to this overall limit, it is the Board's policy to determine the level of Directors' fees having regard to the fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and time committed to the Company's affairs.

The Directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.

The Board shall have the power at any time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. There shall be no maximum number of Directors unless otherwise determined by the Company by Ordinary Resolution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Remuneration
Each Director is entitled to a fee of £20,000 per annum, except for the Chairman who is entitled to £30,000 per annum. For the year ended 31 March 2015, Mr Tigue and Mr Henderson have waived their rights to receive their fees.

For the year to 31 March 2015, the fees for Directors were as follows:

	2015	**2014**
	£'000	**£'000**
Jeremy Tigue	Nil	Nil
Thomas Henderson	Nil	Nil
Peter Hames	20	20
Colin Maltby	20	20
Nicholas Moss	20	20
Jon Moulton	20	20
Martin Thomas	20	20

Martin Thomas received a fee of £55,000 during the year for services provided under a consultancy arrangement relating to restructuring so as to comply with the Financial Conduct Authority rules that implement the Alternative Investment Fund Managers Directive (principally the establishment of BACIT (UK) Limited and associated matters). Other than the above, there were no other fees paid to the Directors.

Signed on behalf of the Board by:

Jeremy Tigue
Chairman
6 July 2015

Jon Moulton
Director

REPORT OF THE AUDIT COMMITTEE

We present below the Audit Committee's (the "Committee") Report for the year, setting out the Committee's structure, duties and evaluations during the year. As in the previous period, the Committee has reviewed the Company's financial reporting, the independence of the Independent Auditor and effectiveness of the audit process and the internal control and risk management systems of the service providers.

Structure of the Committee
The Committee's members are Jon Moulton (chairman), Colin Maltby, and Nicholas Moss. The chairman and the members are all independent directors. Martin Thomas is no longer considered to be independent, by reason of his role within the Group, and accordingly ceased to be a member of the Audit Committee on 1 July 2014.

The Committee comprises at least three members, all of whom are appointed by the Board. Appointments to the Committee shall be for a period of up to three full years, extendable for two further three year periods. The chairman and the members of the Committee are all serving their third year of the first three year term.

The Committee conducts formal meetings at least three times a year. The table on page 16 sets out the number of meetings held during the year and the number of meetings attended by each of the members. Other Directors who are not members of the Committee may also be invited to the meetings. The Independent Auditor is invited to attend those meetings at which the annual and interim reports are considered. The Independent Auditor and the Committee also meet together without representatives of either the Administrator or the Management Team being present if either considers this to be necessary.

Duties of the Committee
The role of the Committee includes, but not limited to:

- monitoring the integrity of the Consolidated Financial Statements;
- reviewing the significant issues and judgements made in the preparation of the Consolidated Financial Statements and other financial information and reporting them to the Board;
- monitoring and reviewing the relevant internal control and risk management systems;
- monitoring and reviewing the quality and effectiveness of the Independent Auditor, their independence and audit process; and
- considering and making recommendations to the Board on the appointment, reappointment, replacement and remuneration to the Company's Independent Auditor.

Details of the Committee's formal duties and responsibilities are set out in the Committee's terms of reference, which can be obtained from the Company's Administrator.

REPORT OF THE AUDIT COMMITTEE (continued)

Independent Auditor
The independence and objectivity of the Independent Auditor is reviewed by the Committee which also reviews the terms under which the Independent Auditor is appointed to perform non-audit services. The outsourcing of any non-audit services to the Independent Auditor will require prior Committee approval where fees for the services are in excess of £10,000.

As a general policy, the Company does not utilise the Independent Auditor for internal audit purposes, secondments or valuation advice. Services which are in the nature of audit such as tax compliance, tax structuring, accounting advice, quarterly reviews and disclosure advice are normally permitted but should be pre-approved where fees in a year are likely to be above £10,000.

The audit and non-audit fees proposed by the auditor each year are reviewed by the Committee taking into account the Company's structure, operations and other requirements during the year and the Committee makes recommendations to the Board.

The recent revisions to the UK Corporate Governance Code introduced a recommendation that the independent audit of FTSE 350 companies be put out to tender every ten years. The Audit Committee has noted this and will develop a plan for tendering at the appropriate time.

Deloitte LLP ("Deloitte") has been the Independent Auditor from the date of the initial listing on the London Stock Exchange. The senior audit partner has been rotated in 2014, David Becker is the lead audit partner and opinion signatory. At the Group's Annual General Meeting on 8 September 2014, Deloitte was re-appointed.

Key evaluations during the year
As a result of the adoption of IFRS 10: Investment Entities Exemption the Group only has one investment being the investment in the Partnership which is being valued at the Net Asset Value of the Partnership. The following significant issues considered during the year by the audit committee form a key part of the valuation of the Partnership.

1. **Significant Financial Statement Issues**
   a. **Performance fee rebates**
   The performance and management fee rebates as well as the movement in the fair value of the Partnership are key drivers in the Group's revenue recorded in the Statement of Comprehensive Income. Performance fee rebates accrued by the Partnership are recognised in the Consolidated Statement of Comprehensive Income under Net gains on financial assets at fair value through profit or loss. However, income is recorded only when the rights and obligations associated with such income is transferred to the Group. Therefore performance fee rebates are adjusted to the fair value of the investments in the Partnership until they are crystallised. Crystallised performance fee rebates are recognised in the Consolidated Statement of Comprehensive Income under Net gains on financial assets at fair value through profit or loss. At the year-end, uncrystallised performance fee rebates adjustment amounted to £914,000. This issue is mitigated by the review process of the monthly NAV calculation and the audit of the year end NAV.

REPORT OF THE AUDIT COMMITTEE (continued)

1. Significant Financial Statement Issues (continued)

b. Liquidity and Valuation of Investments

The ongoing liquidity of the Partnership's investment portfolio has been evaluated and included a review of both financial and relevant non-financial information. Based on the review, the portfolio was assessed to be relatively liquid, with the exceptions of the investment in drug development, through BACIT Discovery Limited (formerly BACIT CHK1 Investment Limited), and the private equity investments in Permira and Infracapital Partners, which are currently disclosed separately in the financial statements. The valuations of these investments have been valued in accordance with International Private Equity and Venture Capital ("IPEVC") valuation guidelines. The Audit Committee considered the valuation of these investments to be reasonable from discussions with the Investment Manager, Custodian and Administrator.

c. Adoption of IFRS 10: Investment Entities Exemption

The Group has adopted IFRS10: Investment Entities Exemption during the year; resulting in the deconsolidation of the Partnership from the Company's financial statements. The Committee has considered the treatment of the deconsolidation and is satisfied with the accounting policies and judgement used in preparing these financial statements.

2. Effectiveness of the External Audit

The Committee held formal and informal meetings with Deloitte during the course of the year: 1) before the start of the annual audit to discuss formal planning, discuss any potential issues and to agree the scope that would be covered; 2) after the annual audit work was concluded to discuss any significant issues; and 3) to consider and discuss the interim condensed consolidated financial statements. The Committee performed the following in relation to its review of the effectiveness and independence of the Independent Auditor.

- Reviewed the audit plan presented to the Committee before the start of the audit;
- Reviewed the audit findings report including any changes to the original audit plan;
- Monitored changes to audit personnel;
- Discussed with both the Management Team and the Administrator any feedback on the audit process;
- Reviewed and approved the terms of engagement during the year, including review of the scope and related fees; and
- Reviewed and discussed Deloitte's own internal procedures and conclusion on its independence.

Further to the above, during each year, the Committee performs a specific evaluation of the performance of the Independent Auditor. This is supported by the results of questionnaires completed by the Committee covering areas such as the quality of the audit team, business understanding, audit approach and management.

There were no significant adverse findings from the evaluation this year and the Committee is satisfied that the audit process is effective.

REPORT OF THE AUDIT COMMITTEE (continued)

3. Audit Fees and Safeguards of Non-Audit Services

The table below summarises the remuneration paid by the Company to Deloitte for audit and non-audit services provided:

	31.03.15	31.03.14
Deloitte LLP	**£'000**	**£'000**
Audit services		
Annual Audit	42	39
Non-audit services		
Interim Review	14	12
Tax Services	5	9
C Share placing	-	46
C Share conversion	-	6
FATCA registration services	1	-
FATCA classification services	5	-

The annual budget for both the audit and non-audit related services was presented to the Committee for pre-approval.

The Committee does not consider that the provision of these non-audit services is a threat to the objectivity and independence of the audit. Where non-audit services where performed, the fees were insignificant to the Group as a whole and when required a separate team was utilised. Further, the Committee has obtained Deloitte's confirmation that the other services provided do not prejudice its independence.

4. Internal Control

The Committee has examined the need for an internal audit function. The Committee considered that the systems and procedures employed by the Management Team and the Administrator, including their internal audit functions, provided sufficient assurance that a sound system of internal control, which safeguards the Company's assets, has been maintained. An internal audit function specific to the Company is therefore considered unnecessary.

The Committee received an externally prepared assessment of the control environment in place at the Administrator, who provide a Service Organisation Control ("SOC1") report. In addition, members of the Committee also visited the offices of the Management Team and conducted discussions on the Company's operations and controls. No significant findings have been noted during the year.

5. Risk Management

The Audit Committee continued to consider the process for managing the risk of the Group and its service providers. Risk management procedures for the Group, as detailed in the Group's risk assessment matrix, were reviewed and approved by the Audit Committee. During the year there were no issues noted.

REPORT OF THE AUDIT COMMITTEE (continued)

Conclusion and Recommendation

After reviewing various reports such as performance reports from the Management Team, compliance reports from the Administrator, consulting where necessary with Deloitte, and assessing the significant Financial Statement issues listed on pages 25 and 26, the Committee is satisfied that the Consolidated Financial Statements appropriately address the critical judgements and key estimates in respect to the amounts reported and the disclosures. The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust. The Committee further concludes that the Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Group's performance, business model and strategy.

The Independent Auditor reported to the Committee that no material misstatements were found in the course of its work. Furthermore, both the Management Team and the Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to the presentation of the Consolidated Financial Statements. The Committee confirms that it is satisfied that the Independent Auditor has fulfilled its responsibilities with diligence and has acted independently on the work undertaken on behalf of the Group. The Committee further recommended that Deloitte be reappointed for the next financial year.

A member of the Committee attends each Annual General Meeting to respond to any questions on matters not addressed in the foregoing.

The Committee also reviews, considers and, if thought appropriate, recommends for the purposes of the Company's financial statements valuations prepared by the Management Team. These valuations are the most critical element in the Company's financial statements and the Audit Committee questions them carefully.

Jon Moulton
Audit Committee Chairman
6 July 2015

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT
As at 31 March 2015

	Fair Value £'000	% of Total NAV of Partnership as at 31.03.15	% of Total NAV of Partnership as at 31.03.14
Equity Funds			
BlackRock UK Special Situations Fund			
UK equities	11,709	2.4	
Majedie Asset UK Equity Fund			
UK equities	27,124	5.7	
Polar Capital Japan Alpha Fund			
Japanese large and mid cap equities	35,764	7.5	
Prosperity Russia Domestic Fund Limited			
Russian equities with a domestic focus	4,538	0.9	
Russian Prosperity Fund			
Russian equities	9,026	1.9	
The SFP Value Realization Fund Limited			
Small and mid-cap Japanese equities	18,515	3.9	
	106,676	22.3	27.1
Equity Hedge Funds			
Maga Smaller Companies Fund Limited			
European equities (Long/Short)	23,696	4.9	
Man GLG Pan-European Growth (formerly PCM Europe Fund Limited)			
European high growth equities (Long; mandate permits Short)	7,049	1.5	
Optimal Australia Absolute Fund			
Australian listed equities (Long/Short)	3,175	0.7	
Polygon European Equity Opportunity Fund			
European event driven equities (Long/Short)	23,266	4.9	
Polygon Mining Opportunity Fund			
Junior gold miners, hedged with commodities, indices and large caps	14,673	3.1	
Portland Hill Overseas Fund Limited			
Event-driven equity investments (Long/Short)	15,389	3.2	
SWMC Emerging European Fund			
Emerging European equities (Long; mandate permits Short)	1,604	0.3	
SW Mitchell European Limited			
European equities (Long/Short)	25,999	5.4	
Tower Fund Limited			
South African listed equities (Long/Short)	25,485	5.3	
Zebedee Growth Fund Limited			
European equities (Long/Short)	12,876	2.7	
	153,212	32.0	25.9
Commodity Funds			
Cumulus Fund (*formerly Cumulus Energy Fund Class*)			
European, Australasian and US power; oil, natural gas, coal (Long/Short)	13,877	2.9	
The AlphaGen Relative Value Agriculture Fund Limited			
Global exchange traded agricultural commodities (Long/Short)	7,892	1.6	
	21,769	4.5	9.8

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (continued)
As at 31 March 2015

	Fair Value £'000	% of Total NAV of Partnership as at 31.03.15	% of Total NAV of Partnership as at 31.03.14
Fixed Income and Credit Funds			
CG Portfolio Fund Plc			
US TIPs (inflation linked government bonds)	15,433	3.2	
Chenavari Multi Strategy Credit Fund Limited Class - DX			
European corporate credit through private transactions	9,213	2.0	
Chenavari Multi Strategy Credit Fund Limited Class - MX			
European corporate credit through cash and derivatives (Long/Short)	15,977	3.3	
Chenavari Multi Strategy Credit Fund Limited Class - RX			
European real estate debt, through private and public transactions	4,283	0.9	
Polygon Convertible Opportunity Fund			
US and European convertible arbitrage	9,540	2.0	
Residential Real Estate Total Return Opportunities Fund Ltd			
US subprime mortgage backed securities	9,741	2.0	
WyeTree European Recovery Fund			
European residential mortgage-backed securities	15,070	3.2	
	79,257	16.6	15.6
Global Macro Funds			
Parity Value Fund			
Discretionary global macro (Long/Short)	20,088	4.2	
Saltrock Fund Limited			
Discretionary global macro (Long/Short)	22,053	4.6	
Seia Global Fund Limited			
Discretionary global macro (Long/Short)	14,586	3.0	
Sinfonietta			
Equities, rates, FX and commodities, with an Asian focus (Long/Short)	23,841	5.0	
	80,568	16.8	8.9
Other Strategies			
BACIT Discovery Limited (formerly BACIT CHK1 Investment Limited)			
Oncology drug development and cancer-related medtech	2,097	0.4	
Infracapital Partners (NT) II LP			
Private investments in European infrastructure	6,990	1.5	
Permira V LP 2			
Private equity, mid to large cap European buyouts	5,698	1.1	
	14,785	3.0	3.1
Total Investments	**456,267**	**95.2**	**90.4**
Cash and cash equivalents	22,439	4.7	
Unrealised gains on forward currency contracts	665	0.1	
Trade and other receivables	4,236	0.9	
Trade and other payables	(4,456)	(0.9)	
	22,884	4.8	9.6
Total Value of the Partnership	**479,151**	**100.0**	**100.0**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACIT LIMITED

Opinion on consolidated financial statements of BACIT Limited (the "Group")	**In our opinion the financial statements:** • **give a true and fair view of the state of the Group's affairs as at 31 March 2015 and of its profit for the year then ended;** • **have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and** • **have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.** The consolidated financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.
Separate opinion in relation to IFRSs as issued by the IASB	As explained in note 1 to the financial statements, in addition to applying IFRSs as adopted by the European Union, the company has also applied IFRSs as issued by the International Accounting Standards Board (IASB). In our opinion the financial statements comply with IFRSs as issued by the IASB.
Going concern	We have reviewed the directors' statement on page 13 that the Group is a going concern. We confirm that • we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and • we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.
Our assessment of risks of material misstatement	The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACIT LIMITED (continued)

Risk	How the scope of our audit responded to the risk
Adoption of IFRS 10: Investment Entities Exemption (see note 1) The adoption of IFRS 10: Investment Entities Exemption means that BACIT Investments LP Incorporated ("the LP") can no longer be consolidated as a subsidiary but must instead be carried at fair value through profit and loss. There is a risk that the deconsolidation calculation is not correct and/or that disclosures are not in line with the new changes.	• We challenged managnent's assessment and judgement in applying the change in the standard. • We tested the calculations that support prior year adjustments arising from the change in accounting policy. • We tested the consolidated financial statements disclosures to determine whether these were in line with the new changes.
Investment ownership and valuation of underlying investments (see note 18) In applying the Investment Entities Standards ("IES") as detailed above, the Group is required to calculate the fair value of its investments in the LP, which acts as the investment vehicle and holds investments. Investments held by the LP represent £479,151,000 and 100.02% of the net assets of the Group. The Group is the sole Limited Partner in the LP and therefore the Group's investment in the LP represents the Net Asset Value of the LP. There is a risk that the investments held by the LP may not represent property of the LP. There is also a risk that prices used to price these investments may not be reflective of the fair value of the investments held.	In respect of the LP; • We verified substantively all of the holdings to independent third party confirmations provided by the Group's Custodian (i.e. Northern Trust (Guernsey) Limited). • We reviewed a report prepared by independent service auditor of the Custodian to assess the design and operating effectiveness of the controls in place at the Custodian. • We agreed the valuation of 100% of the investment portfolio to third party pricing sources. In the case of unquoted investments, prices for the purpose of subscriptions and redemptions in the underlying investee funds were sourced from the administrators of the underlying investee funds. • We selected samples for which we evaluated the due diligence processes performed by the Management Team of the Investment Manager (BACIT (UK) Ltd) in respect of these investments. • We examined the latest available audited financial statements of each investment, where available, to determine whether prices reported by the investee funds' administrators were reconciled to prices reported on the date of these audited financial statements. • We obtained independent confirmation for all parties with whom rebate agreements exist, the amounts paid during the year, and associated balances at year-end. • We selected samples for which we reviewed the reconciliation of the investee funds' reported Net Asset Value ("NAV") to the NAV reported in the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACIT LIMITED (continued)

	financial statements by confirming the holding, valuation and accrued rebate adjustments in the relevant investee fund, as well as confirming with the underlying investee funds' investment managers the amounts paid in the year and the year-end amount payable to the Group in relation to these rebates.
Risk of fraud in revenue recognition (see note 6) The only material revenue received by the Group is from the LP therefore we have looked through the Group to the LP to understand the risk of fraud in revenue recognition. Through the LP the Group invests in some underlying investee funds which rebate it management or performance fees due to its philanthropic nature. There is a risk that rebate revenue may be incomplete, or incorrectly allocated between revenue and capital accounts. Rebates earned amounted to £3,262,000 during the year.	• We selected samples for which we received independent confirmations from the administrators of the underlying investee funds of rebates paid during the year and the balances payable as at 31 March 2015. We also agreed the calculation of rebates to the investee fund agreements.

Last year our report included one other risk which is not included in our report this year: C Share Conversion (there have been no further C Shares issued or converted during the year ended 31 March 2015 and thus this is not applicable).

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 25 and 26.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £9.58 million (2014: £8.68 million), which is 2% (2014: 2%) of equity.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.19 million (2014: £0.17 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACIT LIMITED (continued)

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group, as well as the service organisations and their environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the auditor to the Group's subsidiary, we carried out audit work on the underlying subsidiary executed at a level of materiality applicable to the subsidiary, which was lower than the Group materiality.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance statement relating to the Group's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACIT LIMITED (continued)

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibility, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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 Group'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. 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.

David Becker
for and on behalf of Deloitte LLP
Chartered Accountants and Recognised Auditor
St Peter Port, Guernsey
6 July 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2015

	Notes	Revenue £'000	Capital £'000	01.04.14 to 31.03.15 Total £'000
Investment income				
Other income	4	10,972	-	10,972
Total investment income		10,972	-	10,972
Net gains on financial assets at fair value through profit or loss	5	-	44,328	44,328
Total gains		-	44,328	44,328
Expenses				
Charitable donation	7	4,719	-	4,719
Administration fee	8	162	-	162
Directors' fees	13	100	-	100
Other expenses		641	-	641
Total expenses		5,622	-	5,622
Profit for the year		5,350	44,328	49,678
Earnings per Ordinary Share	12	1.40p	11.60p	13.00p

The total column of this statement represents the Group's consolidated statement of comprehensive income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The Profit for the year 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 41 to 70 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Note	Revenue £'000	Capital £'000	01.04.13 to 31.03.14 restated* Total £'000
Investment income				
Other income	4	5,579	-	5,579
Total investment income		5,579	-	5,579
Net gains on financial assets at fair value through profit or loss	5	-	7,705	7,705
Total gains		-	7,705	7,705
Expenses				
Charitable donation	7	3,188	-	3,188
Administration fee	8	175	-	175
Directors' fees	13	100	-	100
Other expenses		283	-	283
Total expenses		3,746	-	3,746
Profit for the year		1,833	7,705	9,538
Earnings per Ordinary Share	12	0.74p	3.09p	3.83p

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10). See note 1.

The total column of this statement represents the Group's consolidated statement of comprehensive income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The Profit for the year 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 41 to 70 form an integral part of these financial statements

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

For the year ended 31 March 2015

	Notes	Share Capital Account £'000	Capital Reserves £'000	Revenue Reserves £'000	Total £'000
Balance at the beginning of the year					
as previously reported		399,764	38,597	(3,511)	434,850
Impact of change in accounting policy		2,067	(5,578)	3,511	-
Restated balance at the beginning of the year*		401,831	33,019	-	434,850
Total Comprehensive Income					
for the year		-	44,328	5,350	49,678
Transactions with Shareholders:					
Distributions	3	-	(2,270)	(5,350)	(7,620)
Issuance of shares	12	2,156	-	-	2,156
Balance at the end of the year		403,987	75,077	-	479,064

For the year ended 31 March 2014

	Notes	Share Capital Account £'000	Capital Reserves £'000	Revenue Reserves £'000	Total £'000
Balance at the beginning of the year					
as previously reported		204,061	26,821	(1,273)	229,609
Impact of change in accounting policy		-	(1,039)	1,039	-
Restated balance at the beginning of the year*		204,061	25,782	(234)	229,609
Total Comprehensive Income					
for the year*		-	7,705	1,833	9,538
Transactions with Shareholders:					
Distributions	3	-	(468)	(1,599)	(2,067)
Issuance of shares	12	200,000	-	-	200,000
Share issue costs	12	(2,230)	-	-	(2,230)
Balance at the end of the year*		401,831	33,019	-	434,850

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10). See note 1.

The notes on pages 41 to 70 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Notes	31.03.15 £'000	31.03.14 restated* £'000	31.03.13 restated* £'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	9	479,151	434,823	229,428
Current assets				
Bank and cash deposits		23	76	299
Trade and other receivables	10	4,438	3,211	1,007
Total assets		483,612	438,110	230,734
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	11	4,548	3,260	1,125
Total liabilities		4,548	3,260	1,125
EQUITY				
Share capital account	12	403,987	401,831	204,061
Distributable Reserves		75,077	33,019	25,548
Total equity		479,064	434,850	229,609
Total liabilities and equity		483,612	438,110	230,734
Total net assets attributable to holders of Ordinary Shares		479,064	434,850	229,609
Number of Ordinary Shares in Issue	12	382,867,127	380,974,677	206,734,776
Net assets attributable to holders of Ordinary Shares (per share)		£1.25	£1.14	£1.11

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10). See note 1.

The audited Consolidated Financial Statements on pages 36 to 70 were approved on 6 July 2015 and signed on behalf of the Board of Directors by:

Jeremy Tigue
Chairman

Jon Moulton
Director

The notes on pages 41 to 70 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2015

	Notes	01.04.14 to 31.03.15 £'000	01.04.13 to 31.03.14 *restated £'000
Cash flows from operating activities			
Profit for the year		49,678	9,538
Adjusted for:			
Gains on financial assets at fair value through profit or loss		(44,328)	(7,705)
Operating cash flows before movements in working capital		5,350	1,833
Increase in other receivables		(1,227)	(2,204)
Increase in other payables		1,288	2,145
Net cash generated from operating activities		5,411	1,774
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss	9	-	(197,690)
Net cash used in investing activities		-	(197,690)
Cash flows from financing activities			
Issuance of shares	12	-	200,000
Share issue costs	12	-	(2,240)
Distribution	3	(5,464)	(2,067)
Net cash (used in)/generated from financing activities		(5,464)	195,693
Net decrease in cash and cash equivalents		(53)	(223)
Cash and cash equivalents at beginning of year		76	299
Cash and cash equivalents at end of year		23	76

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10). See note 1.

The notes on pages 41 to 70 form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. 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:

Statement of compliance
The Consolidated Financial Statements give a true and fair view, are prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and are in compliance with The Companies (Guernsey) Law, 2008.

Basis of preparation
The Consolidated Financial Statements have been prepared under the historical cost basis, except for investments and derivatives held at fair value through profit or loss, which have been measured at fair value.

Basis of consolidation
BACIT GP Limited (the "General Partner" or "Subsidiary") is consolidated in full from the date of acquisition, being the date on which the Company obtained control and will continue to do so until such control ceases. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of the Subsidiary during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of incorporation. The financial statements of the Subsidiary are prepared in accordance with United Kingdom Accounting Standards. Where necessary, adjustments are made to the financial statements of the Subsidiary to bring the accounting policies used into line with those used by the Group. During the year, no such adjustments have been made.

All intra-group transactions, balances and expenses are eliminated on consolidation.

The Group has adopted IFRS 10 'Consolidated Financial Statements', including the Amendments, 'Investment Entities (Amendments to IFRS 10). 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 no longer consolidated in the Group's financial statements and relevant comparative figures have been restated.

Financial Instruments
Financial assets and derivatives are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, available for sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace. The Group classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial assets at fair value through profit or loss ("investments")
Investments purchased are initially recorded at fair value, being the consideration given and excluding transaction or other dealing costs associated with the investment. Gains and losses on investments sold are recognised in the period in which they arise. The appropriate classification of the investments is determined at the time of the purchase and is re-evaluated on a regular basis.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The carrying amounts, being the cost, shown in the Consolidated Statement of Financial Position approximate the fair values due to the short term nature of these loans and receivables. The Group's loans and receivables consist of cash and cash equivalents and trade and other receivables.

Forward currency contracts
Forward foreign currency contracts are derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets.

Other financial liabilities
Other financial liabilities include all other financial liabilities other than those designated as financial liabilities at fair value through profit or loss. The Group's other financial liabilities include trade and other payables. The carrying amounts shown in the Consolidated Statement of Financial Position approximate the fair values due to the short term nature of these other financial liabilities.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise assets and settle the liabilities simultaneously.

Fair Value
As a result of the adoption of IFRS 10: Investment Entities Exemption the Group only has one investment being the investment in the Partnership which is being valued at the Net Asset Value ("NAV") of the Partnership. The net assets of the Partnership, which at 31 March 2015 principally comprise financial assets at fair value through profit and loss, are required to be valued at fair value in the carrying value of investments. This change does not affect the NAV of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Fair Value (continued)

The investments of the Partnership that are listed or quoted on a recognised market are valued at mid market price in the relevant market at the Statement of Financial Position Date. The valuations of all investments in investment funds are based upon the latest information available to the Partnership provided by the underlying investment funds in which the Partnership has invested, except for listed investments where information was taken from business and financial market news sites.

The valuation date of such funds is not always coterminous with the valuation date of the Partnership and in such cases the valuation of the fund as at the last valuation date is used. The Net Asset Value reported by the fund manager or administrator may be unaudited and in some cases, the notified NAV is based upon estimates.

In certain cases the Partnership adjusts values to their best estimate. Whilst the Partnership has no reason to suppose that any such valuations are unreasonable, the amounts realised from the ultimate redemption or sale of these funds may materially differ from these values.

The Partnership also invests in private equity and infrastructure funds which are held at fair value through profit or loss. Their value is determined in accordance with the information provided by the investee funds to the Partnership in relation to such investments, although the Partnership may make appropriate adjustment to such valuations if acting in good faith it determines that such valuations do not accurately reflect the true value of the investments. The Partnership's assessment of fair value is determined in accordance with International Private Equity and Venture Capital (''IPEVC'') valuation guidelines, as the Board consider that the IPEVC valuation methodology used in deriving a fair value is not materially different from the fair value requirements of IFRS 13.

The Partnership also invests in drug development and medical innovation projects undertaken by The Pioneer Fund and the ICR or its subsidiaries. These investments are expected to be in the research and development stage. The Board values these investments in line with the IPEVC valuation guidelines. During the year, the Partnership, committed to invest up to £20 million in The Pioneer Fund. See note 17 for further details.

Gains and losses arising from changes in the fair value of financial assets are shown as net gains or losses on financial assets through profit or loss in note 5 and recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Derecognition of financial instruments

A financial asset is derecognised when: (a) the rights to receive cash flows from the financial asset have expired, (b) the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through arrangement"; or (c) the Group has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

A financial liability is derecognised when the contractual obligation under the liability is discharged, cancelled or expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Commitments
Through its investment in the Partnership, the Group has outstanding commitments on investments that are not recognised in the financial statements. Refer to note 19 for further details.

Income
All income is accounted for on an accruals basis and is recognised in the Consolidated Statement of Comprehensive Income.

The Partnership receives fee rebates and donations from its investments. Please refer to note 4 for details.

Expenses
Expenses are accounted for on an accruals basis. Expenses incurred on the acquisition of investments at fair value through profit or loss are charged to the Consolidated Statement of Comprehensive Income in capital. All other expenses are charged to the Statement of Comprehensive Income in revenue. Charitable donations are accounted for on an accruals basis and are recognised in the Consolidated Statements of Comprehensive Income. Expenses directly attributable to the issuance of shares are charged against capital and recognised in the Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Translation of foreign currency
Items included in the Group's Consolidated Financial Statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The Consolidated Financial Statements are presented in Sterling (£), which is the Group's functional and presentational currency.

Transactions in currencies other than Sterling are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Consolidated Statement of Financial Position are translated into Sterling at the rate of exchange ruling at that date.

Foreign exchange differences arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated into Sterling at foreign exchange rates ruling at the date the fair value was determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities at the reporting date. However, uncertainties about these assumptions and estimates, in particular relating to the Partnership's private equity and infrastructure investments, as well as the adoption of IFRS 10 as detailed below, could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The Group's investment consists of its investments in the Partnership and is valued as the Group's share of the Partnership's NAV. As at the year end, none of the Partnership's underlying investments have imposed restrictions on redemptions. However underlying managers often have the right to impose such restrictions. The Directors believe it remains appropriate to estimate their fair values based on NAV as reported by the administrators of the relevant investments.

Except for listed investments, the Directors believe that such NAV represents fair value because subscriptions and redemptions in the underlying investments occur at these prices at the consolidated statement of financial position date, where permitted.

New standards, amendments and interpretations adopted by the Group

The Group has adopted IFRS 10 'Consolidated Financial Statements', including the Amendments, 'Investment Entities (Amendments to IFRS 10). 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.

The impact of adopting Investment Entities (Amendments to IFRS 10) is the exclusion from consolidation of assets, liabilities, income and expenses of the Partnership which were previously consolidated on a line-by-line basis. As such the Partnership is now held at fair value and no longer consolidated. The General Partner continues to be consolidated as it provides investment related services to the Company.

Under the transitional provisions of IFRS 10, this change in accounting policy is required to be accounted for retrospectively. Therefore, the relevant comparative figures have been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations adopted by the Group (continued) The following table summarises the key adjustments made to the Consolidated Statement of Financial Position on implementation of IFRS 10.

Statement of Financial Position	Balance at 31.03.2013 £'000	Impact of Change in accounting policy £'000	Restated balance at 31.03.2013 £'000	Balance at 31.03.14 £'000	Impact of Change in accounting policy £'000	Restated balance at 31.03.14 £'000
Financial assets at fair value through profit or loss	196,308	33,120	229,428	393,120	41,703	434,823
Bank and cash deposits	34,330	(34,031)	299	44,665	(44,589)	76
Trade and other receivables	181	826	1,007	549	2,662	3,211
Total assets	**230,819**	**(85)**	**230,734**	**438,334**	**(224)**	**438,110**
Unrealised losses on forward currency contracts	(46)	46	-	(180)	180	-
Trade and other payables	(1,164)	39	(1,125)	(3,304)	44	(3,260)
Total liabilities	**(1,210)**	**85**	**(1,125)**	**(3,484)**	**224**	**(3,260)**
Net assets	**229,609**	**-**	**229,609**	**434,850**	**-**	**434,850**

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries, other than those that provide investment services to the Group, at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

The Company provides investment management services and has a number of investors who pool their funds to gain access to these services and investment opportunities that they might not have had access to individually. The Company, being listed on the London Stock Exchange, obtains funding from a diverse group of external shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Assessment as investment entity (continued)

The Company's objective is consistent with that of an investment entity. The Company has the intention to realise the constituents of each of its investment classes.

The Partnership measures and evaluates the performance of substantially all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as a significant measurement attribute to evaluate the performance of its investments and to make investment decisions for mature investments.

The IFRS 10 Investment Entity Exemption requires investment entities to fair value all subsidiaries that are themselves investment entities. As the Partnership meets the criteria of an investment entity it has been deconsolidated by the Group.

Standards, amendments and interpretations not yet effective

At the date of approval of these Consolidated Financial Statements, the following standards and interpretations, which have not been applied in these Consolidated Financial Statements, were in issue but not yet effective:

IFRS 9 – Financial instruments: Classification and measurement (effective date – 1 January 2018)
IFRS 14 – Regulatory Deferral Accounts (effective – 1 January 2016)
IFRS 15 – Revenue from Contracts with Customers (effective – 1 January 2017)
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations – (effective – 1 January 2016)

The Board expects that the adoption of these standards in a future period will not have a material impact on the financial statements of the Group. IFRS 9, 'Financial Instruments' was issued in December 2009 and addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for financial assets. The standard is not expected to be applicable until 1 January 2018 but it is available for early adoption. The Group is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the majority of the Group's financial assets are designated at fair value through profit or loss.

Presentation of the Statement of Comprehensive Income

In order to better reflect the activities of an investment company and in accordance with guidance issued by the Association of Investment Companies, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

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 £600.

BACIT GP Limited is subject to tax in Guernsey at the standard rate of 0%.

The General Partner is incorporated and tax resident in Guernsey, its corporate affairs being managed solely in Guernsey.

The individuals responsible for managing the Partnership's investment portfolio do not receive any remuneration funded by the Partnership's activities. 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).

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. Scrip dividends in 2015, payable on 19 August 2015 amounted to 2.10 pence per share (2014: 2.00 pence per share).

During the year ended 31 March 2015, the Company paid a dividend of £7,620,000 (31 March 2014: £2,067,000) relating to the year ended 31 March 2014 (31 March 2013). The dividend was comprised of £5,464,000 cash (2014: £2,067,000) and a scrip dividend of £2,156,000 (2014: £Nil).

4. INCOME

Income consists of investment income received from the Partnership.

During the year, income received from the Partnership amounted to £10,972,000 (31 March 2014: £5,579,000) of which £4,422,000 (31 March 2014: £3,196,000) remained receivable at 31 March 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

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

The net gains 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.

	01.04.14 to 31.03.15 £'000	01.04.13 to 31.03.14 *restated £'000
Investment Income	2,207	1,702
Rebates and donations (note 6)	3,262	3,836
Expenses (note 13)	(188)	(194)
Distributions (note 4)	(10,972)	(5,579)
Gains on financial assets at fair value through profit or loss		
Realised gains on financial assets at fair value through profiit or loss	7,964	4,797
Realised losses on financial assets at fair value through profiit or loss	(6,859)	(6,901)
Movement in unrealised gains on financial assets at fair value through profit or loss	56,332	21,519
Movement in unrealised losses on financial assets at fair value through profit or loss	(15,918)	(13,720)
Gains on forward currency contracts	7,734	1,050
Gains on foreign currency	766	1,195
Net gains on financial assets at fair value through profit or loss	44,328	7,705

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10).

6. 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 year end the uncrystallised performance fee rebates included as receivables within the Partnership's financial assets at fair value through profit or loss amounted to £914,000.

During the year, rebates and donations earned amounted to £3,262,000 (31 March 2014: £3,836,000), of which £289,000 (31 March 2014: £294,000) remained receivable at 31 March 2015. Of the 31 (31 March 2014: 31) underlying funds in the Partnership's Portfolio Statement, 21 (31 March 2014: 20) of these underlying funds are invested in a fee free share class and the remaining 10 (31 March 2014: 11) apply rebates or donations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

7. CHARITABLE DONATIONS

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 year, charitable donations amounted to £4,719,000 (31 March 2014: £3,188,000) which included an additional donation of £300,000 to The BACIT Foundation to provide regulatory capital for BACIT (UK) Limited. As at 31 March 2015, £4,419,000 (31 March 2014: £3,188,000) remained payable.

8. ADMINISTRATION FEE

The Group's administrator is Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"). Following the implementation of the revised Administration Agreement on 1 May 2014, the Administrator is entitled to receive an annual fee of up to 6 basis points of the NAV of the Company, calculated monthly in arrears, subject to a minimum fee of £120,000 per annum. Prior to 1 May 2014, the Administrator was entitled to receive an annual fee of up to 7.5 basis points of the NAV of the Company, calculated monthly in arrears, subject to a minimum fee of £120,000 per annum.

Fees are reviewed on an annual basis. In addition, the Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by them in connection with their duties.

Effective 1 May 2014, there are no administration fees charged to the Subsidiary. Prior to 1 May 2014, administration fees were charged on a time spent basis, excluding company secretarial fees amounting to £3,000 per annum.

During the year ended 31 March 2015, administration fees of £162,000 (31 March 2014*: £175,000) were charged to the Group and £54,000 (31 March 2014*: £32,000) remained payable at the year end.

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

9. 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 year.

	31.03.15	31.03.14 *restated
	£'000	£'000
Cost of the Partnership's investments at the start of the year	358,244	169,231
Purchases during the year	91,089	233,475
Sales during the year	(63,317)	(38,918)
Return on capital	(2,391)	(12)
Reduction in investment (note 17)	(3,754)	(3,428)
Net realised gains/(losses) on disposals during the year	1,106	(2,104)
Cost of the Partnership's investments at the end of the year	380,977	358,244
Net unrealised gains on investments at the end of the year	75,290	34,876
Other net current assets	22,884	41,703
Financial assets at fair value through profit or loss at the end of the year	479,151	434,823

10. TRADE AND OTHER RECEIVABLES

	31.03.15	31.03.14 *restated
	£'000	£'000
Investment income receivable (note 4)	4,422	3,196
Prepayments	16	15
	4,438	3,211

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10).

11. TRADE AND OTHER PAYABLES

	31.03.15	31.03.14 *restated
	£'000	£'000
Charitable donations payable (note 7)	4,419	3,188
Directors' fee payable (note 13)	25	25
Administration fee payable (note 8)	54	31
Audit fee payable	23	11
Other payables	27	5
	4,548	3,260

* Comparative information, including relevant Notes, has been restated to reflect implementation of Investment Entities (Amendments to IFRS 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

12. 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.

The Company is a closed-ended investment company with an unlimited life. The Ordinary Shares are not puttable instruments because redemption is conditional upon certain market conditions and/or Board approval. As such they are not required to be classified as debt under IAS 32 – “Financial Instruments: Disclosure and Presentation”.

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.

The Company’s Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years. The vote will require more than 50% of the votes cast on the resolution to be in favour to require the Directors to formulate proposals, to be put to Shareholders within six months of such resolution being passed, for the reorganisation or reconstruction of the Company. A special resolution of the Shareholders is required to wind up the Company, requiring a 75% vote.

The Company also has the authority, subject to various terms as set out in its Articles and in accordance with The Companies (Guernsey) Law, 2008, to acquire up to 14.99% of the Shares in issue. The Company intends to renew this authority annually. However, the Directors have no current intention to utilise this authority.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

12. SHARE CAPITAL ACCOUNT (continued)

A. Authorised Share Capital (continued)

	Ordinary Shares 01.04.14 to 31.03.15 £'000	C Shares 01.04.13 to 31.03.14 £'000	Ordinary Shares 01.04.13 to 31.03.14 £'000
Deferred Share (1 Share issued at £1)	-	-	-
Ordinary Share Capital			
Balance at the start of the year	401,831	-	204,061
Issued during the year	2,156	200,000	197,770
Converted to Ordinary Shares	-	(197,770)	-
Share issue costs	-	(2,230)	-
Balance at the end of the year	403,987	-	401,831

Ordinary Share Capital	Ordinary Shares 01.04.14 to 31.03.15 Shares	C Shares 01.04.13 to 31.03.14 Shares	Ordinary Shares 01.04.13 to 31.03.14 Shares
Balance at the start of the year	380,974,677	-	206,734,775
Issued during the year	1,892,450	200,000,000	174,239,902
Converted to Ordinary Shares	-	(200,000,000)	-
Balance at the end of the year	382,867,127	-	380,974,677

During October 2013, 200,000,000 C Shares were issued at an issue price of 100 pence per C Share for cash consideration. On 24 December 2013, each C Share was converted to Ordinary Shares at a rate of 0.8712 Ordinary Shares per C Share, on the basis of the NAV of the respective share classes.

Ordinary Shares issued during the year ended 31 March 2015 relate to the 2014 dividend. Refer to note 3 for details.

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 year end and unrealised exchange differences of a capital nature are transferred to Capital Reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

12. 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:

	01.04.14 to 31.03.15	01.04.13 to 31.03.14
Earnings for the purposes of earnings per share	49,678,043	9,538,714
Weighted average number of shares	382,053,114	248,989,138
Basic earnings per share	13.00p	3.83p

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

13. 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 the General Partner, which is a wholly-owned subsidiary of the Company.

The Company has seven non-executive directors. All the Directors of the Company also serve as Directors of the General Partner. Thomas Henderson and Martin Thomas are also directors of BACIT (UK) Limited and BACIT Discovery Limited (formerly BACIT CHK1 Investment 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. For the Directors' interests on the Group please refer to the Directors and Other Interests section of the Director's Report. In addition, the investee funds may hold shares in companies related to the Directors.

Directors' fees for the year to 31 March 2015, including outstanding Directors' fees at the end of the year, are set out below.

	31.03.15 £'000	31.03.14 £'000
Directors' fees for the year	100	100
Payable at end of year	25	25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

13. RELATED PARTY TRANSACTIONS (continued)

Martin Thomas received a fee of £55,000 from the Group during the year for services provided under a consultancy arrangement relating to restructuring so as to comply with the Financial Conduct Authority rules that implement the Alternative Investment Fund Managers Directive (principally the establishment of BACIT (UK) Limited and associated matters).

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

The Management Team of the General Partner provides management services to the Partnership free of charge.

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 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 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 £100,000 for the year ended 31 March 2015 (31 March 2014: £125,000).

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.

As at 31 March 2015, the following shares were held by members of the Management Team:

	Number of shares 31.03.15	**Number of shares 31.03.14**
Thomas Henderson*	16,742,400	16,742,400
John McDonald	292,160	287,120
Arabella Cecil	380,809	374,240
Fenella Dernie	13,143	13,143

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

13. RELATED PARTY TRANSACTIONS (continued)

Significant agreements
Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") performs administrative duties to the Group. The Administrator is entitled to receive an annual fee of up to 6 basis points of the NAV of the Company, calculated monthly in arrears, subject to a minimum fee of £120,000 per annum. Please refer to note 8.

Northern Trust (Guernsey) Limited serves as custodian to the Partnership. During the year ended 31 March 2015, custodian fees of £169,000 (31 March 2014: £163,000) were charged by Northern Trust (Guernsey) Limited to the Partnership and £28,000 (31 March 2014: £37,000) remained payable as at 31 March 2015.

14. OPERATING SEGMENTS

Through its investment in the Partnership, the Group has a highly diversified portfolio of investments and as at 31 March 2015 no single investment accounts for more than 7.5% of the Group's Net Assets.

The Board has considered the requirements of IFRS 8 'Operating Segments', and is of the view that the Group'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 Group'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.

The Group is part-domiciled in Guernsey. Entity wide disclosures are not necessary as the Group is engaged in a single segment of business, investing in hedge, equity and long-term alternative investment funds across multiple asset classes.

15. FINANCIAL INSTRUMENTS

In accordance with its investment objectives and policies, the Group holds financial instruments which at any one time may comprise the following:

- securities held in accordance with the investment objectives and policies;
- cash and short-term receivables and payables arising directly from operations; and
- derivative instruments including forward foreign currency contracts.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

15. FINANCIAL INSTRUMENTS (continued)

	31.03.15 Fair Value £'000	31.03.14 Fair Value £'000
Financial assets designated at fair value through profit or loss		
BACIT Investments LP Incorporated	479,151	434,823
Total financial assets designated at fair value through profit or loss	479,151	434,823
Other financial assets	4,461	3,287
Financial liabilities designated at fair value through profit or loss		
Other financial liabilities	(4,548)	(3,260)
Total net assets	479,064	434,850

The financial instruments held by the Partnership are comprised principally of hedge, equity, cash and long-term alternative investment funds.

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

	31.03.15 Fair Value £'000	31.03.14 Fair Value £'000
Financial assets designated at fair value through profit or loss		
Listed Investments	120,567	135,983
Unlisted Investments	335,700	257,137
Unrealised gains on open forward foreign currency contracts	665	-
Total financial assets designated at fair value through profit or loss	456,932	393,120
Other financial assets	26,675	45,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

15. FINANCIAL INSTRUMENTS (continued)

	31.03.15 Fair Value £'000	31.03.14 Fair Value £'000
Financial liabilities designated at fair value through profit or loss		
Unrealised losses on open forward foreign currency contracts	-	(180)
Other financial liabilities	(4,456)	(3,240)
Total net assets of the Partnership	479,151	434,823

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS

The Group is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including market price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks have existed throughout the year and the Group's policies for managing them are summarised below.

The risks below do not reflect the risks of the Partnership's underlying investment portfolios of the financial assets at fair value through profit or loss ("investment entities") in the Group's Consolidated Statement of Financial Position. The Group has very significant indirect exposure to a number of risks through the Partnership's underlying portfolios of the investment entities. However this is the intention of the Group in order to achieve capital gains. There is no sensible mechanism to "control" these risks without considerably prejudicing return objectives.

Due to the lack of transparency in many of the Partnership's underlying assets it is not possible to quantify or hedge the impact of these risks on the portfolio as each investment entity may have complex and changing risk dynamics that are not easily observable or predictable. These risks will include extensive interest, foreign exchange and other market risks which are magnified by significant gearing in many cases, resulting in increased liquidity and return risk.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the market risks of changes in market prices, interest rates and foreign currency exchange rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Market price risk

Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Partnership's underlying funds. It represents the potential gain or loss the Group may suffer through holding market positions in the face of price movements.

Market risk encompasses the potential for both gains and losses and is affected by three main components: changes in actual market prices, actual levels of and changes in interest rates and foreign currency movements. Interest rate and foreign currency movement risks are covered elsewhere in this note. The overall market risk management of each of the holdings of the Partnership is primarily driven by their respective investment objectives. The Management Team assesses the risk in the Partnership's portfolio by monitoring exposures, liquidity, and concentrations of the underlying funds' investments, in the context of the historic and current volatility of their asset classes, and the portfolio manager's risk appetite.

The maximum risk resulting from financial instruments is generally determined by the fair value of underlying funds and committed funds of underlying Limited Partners. The overall market exposure as at 31 March 2015 is shown in the Consolidated Statement of Financial Position.

The financial instruments are sensitive to market price risk; any increase or decrease in market price will have an equivalent movement in market value of the financial instruments.

Foreign currency risk

Foreign currency risk arises from fluctuations in the value of a foreign currency against a reporting currency. It represents the potential loss or gain the Group may suffer through holding foreign currency assets in the face of foreign exchange movements. The Group's treatment of currency transactions is set out in note 1 to the Consolidated Financial Statements under "Translation of foreign currency" and "Forward currency contracts". There is no material currency risk at the Group level, however currency risk exists in the Partnership's underlying investments, the analysis of which is not feasible.

The Group's Shares are denominated in Sterling, its operating expenses are incurred in Sterling, and its investment in the Partnership is denominated in Sterling. The investments of the Partnership are denominated in US Dollars, Euros and Sterling. The Group's functional and presentation currency is Sterling; hence the Consolidated Statement of Financial Position may be significantly affected by movements in the exchange rates between the foreign currencies previously mentioned. The Management Team may manage exposure to Euro movements by using forward foreign currency contracts to hedge exposure to investments in Euro denominated share classes. The Management Team does not currently hedge out exposure to investments made into US Dollar share classes. As at 31 March 2015, the Partnership had one open forward foreign currency contract (31 March 2014: two).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Foreign currency risk (continued)

	Sell	Buy	Market Equivalent	Unrealised gain
	€'000	**£'000**	**£'000**	**£'000**
One Sterling/Euro Forward Currency Contract				
Settlement date 29 May 2015	76,000	55,710	55,045	665
Total unrealised gains as at 31 March 2015				665

	Sell	Buy	Market Equivalent	Unrealised loss
	€'000	**£'000**	**£'000**	**£'000**
Two Sterling/Euro Forward Currency Contracts				
Settlement date 28 April 2014	48,800	40,194	40,349	(155)
Settlement date 28 April 2014	10,000	8,243	8,268	(25)
Total unrealised losses as at 31 March 2014				(180)

The following table presents the Partnership's assets and liabilities in their respective currencies, converted into the Group's reporting currency

				31.03.15 Total
	US$'000	**€'000**	**£'000**	**£'000**
Financial assets at fair value through profit or loss	261,271	58,306	136,690	456,267
Bank and cash deposits	2,769	147	19,523	22,439
Trade and other receivables	242	11	3,983	4,236
Unrealised gains on forward currency contracts	-	(55,045)	55,710	665
Trade and other payables	-	-	(34)	(34)
Distribution payable	-	-	(4,422)	(4,422)
	264,282	3,419	211,450	479,151

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Foreign currency risk (continued)

The following table presents the Partnership's assets and liabilities in their respective currencies, converted into the Group's reporting currency

				31.03.14
				Total
	US$'000	€'000	£'000	£'000
Financial assets at fair value through profit or loss	223,380	51,808	117,932	393,120
Bank and cash deposits	533	-	44,056	44,589
Trade and other receivables	277	11	246	534
Unrealised losses on forward currency contracts	-	(48,617)	48,437	(180)
Trade and other payables	-	-	(44)	(44)
Distribution payable	-	-	(3,196)	(3,196)
	224,190	3,202	207,431	434,823

Foreign currency sensitivity analysis

The below details the sensitivity of the Partnership's fair value to a 10% change in the Sterling exchange rate against the EUR and US Dollar currencies with all other variables held constant. The resulting impact on the NAV of the Group is detailed in the table below. The sensitivity analysis percentage represents the Management Team's assessment, based on the foreign exchange rate movements over the relevant period and of a reasonably possible change in foreign exchange rates.

		31.03.15		31.03.14
	US$'000	€'000	US$'000	€'000
10% increase	(24,026)	(311)	(20,381)	(291)
10% decrease	29,365	379	24,916	357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Interest rate risk

Interest rate risk represents the uncertainty of investment return due to changes in the market rates of interest. Interest receivable on bank deposits or payable on bank overdraft is affected by fluctuations in interest rates. All cash balances are at variable rates. Interest rate risk exists in the Group's underlying investments, the analysis of which has not been possible.

The Group is not exposed to significant interest rate risk on cash assets as interest from bank balances is minimal due to low interest rates. Any excess cash and cash equivalents of the Group are invested at short-term market interest rates.

The Group's continuing position in relation to interest rate risk is monitored on an ongoing basis by the Management Team.

Interest rate sensitivity

No material impact on the Consolidated Statement of Comprehensive Income or Consolidated Statement of Financial Position is expected due to the immateriality of interest rate risk at the year end.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Group. Credit risk in relation to securities transactions awaiting settlement is managed through the rules and procedures of the relevant stock exchanges. In particular settlements for transactions in listed securities are effected by the Custodian on a delivery against payment or receipt against payment basis. Transactions in unlisted securities are effected against binding subscription agreements.

The principal credit risks for the Group are in relation to deposits with banks. Northern Trust (Guernsey) Limited ("NTGL") acts as the principal banker to the Group, and as custodian of its assets. The securities held by NTGL as Custodian are held in trust and are registered in the name of BACIT Investments LP Incorporated. NTGL is a wholly owned subsidiary of The Northern Trust Corporation ("TNTC"). TNTC is publicly traded and a constituent of the S&P 500. As at 31 March 2015, TNTC has a credit rating of A+ (31 March 2014: A+) from Standard & Poor's and A2 (31 March 2014: A2) from Moody's. The credit risk associated with debtors is limited to any unrealised gains on open forward foreign currency contracts, as detailed above and other receivables.

Credit risk analysis

The Group's maximum credit exposure is limited to the carrying amount of financial assets recognised as at the Consolidated Statement of Financial Position date:

	31.03.15	31.03.14 *restated
	£'000	£'000
Cash and cash equivalents	23	76
Trade and other receivables	4,438	3,211
	4,461	3,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Liquidity risk
Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments in a reasonable timeframe or at a reasonable price.

The Group is exposed to the possibility that it may be unable to liquidate its assets as it otherwise deems advisable as the underlying funds or its managers may require minimum holding periods and restrictions on redemptions. Further, there may be suspension or delays in payment of redemption proceeds by underlying funds or holdbacks of redemption proceeds otherwise payable to the Group until after the applicable underlying fund's financial records have been audited. Therefore, the Group may hold receivables that may not be paid to the Group for a significant period of time, may not accrue any interest and ultimately may not be paid to the Group. As at 31 March 2015, no discretionary restrictions existed in any of the Group's underlying investments (31 March 2014: none).

The table below details the Group's liquidity analysis for its financial assets and liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial assets and liabilities that settle on a net basis and the undiscounted gross cash flows on those financial assets and liabilities that require gross settlement.

	Within 1 month £'000	1 to 3 months £'000	3 to 12 months £'000	Greater than 12 months £'000	31.03.15 Total £'000
Financial assets at fair value through profit or loss	143,537	165,012	131,226	39,376	479,151
Cash and cash equivalents	23	-	-	-	23
Trade and other receivables	4,438	-	-	-	4,438
Trade and other payables	(129)	-	(4,419)	-	(4,548)
Total	147,869	165,012	126,807	39,376	479,064
Percentage	30.87%	34.44%	26.47%	8.22%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

16. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS (continued)

Liquidity risk (continued)

	Within 1 month £'000	1 to 3 months £'000	3 to 12 months £'000	Greater than 12 months £'000	31.03.14 Total £'000
Financial assets at fair value through profit or loss	139,472	43,063	185,458	66,830	434,823
Cash and cash equivalents	76	-	-	-	76
Trade and other receivables	3,211	-	-	-	3,211
Trade and other payables	(72)	-	(3,188)	-	(3,260)
Total	142,687	43,063	182,270	66,830	434,850
Percentage	32.81%	9.90%	41.92%	15.37%	100.00%

**The above tables reflect the anticipated cash flows assuming notice was given to all underlying funds as at 31 March 2015. It includes a provision for “audit hold back” which most hedge funds apply to full redemptions and any other known restrictions the managers of the underlying funds may have placed on redemptions. Where there is currently no firm indication from the underlying manager on the expected timing of the receipt of redemption proceeds, the relevant amount is included in the “greater than 12 months” category. The cash flow projections are therefore conservative estimates.*

17. FAIR VALUE MEASUREMENT

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

17. FAIR VALUE MEASUREMENT (continued)

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, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Group’s financial assets and liabilities by level within the valuation hierarchy as of 31 March 2015:

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

				31.03.14
	Level 1	Level 2	Level 3	Total
Assets	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss:				
BACIT Investments LP Incorporated	-	434,823	-	434,823
Total assets	-	434,823	-	434,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

17. FAIR VALUE MEASUREMENT (Continued)

As noted below, 3.0% of the Partnership's fair value measurements consists 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 financial assets and liabilities by level within the valuation hierarchy as of 31 March 2015:

Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	31.03.15 Total £'000
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 assets	116,029	326,118	14,785	456,932

Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	31.03.14 Total £'000
Financial assets at fair value through profit or loss:				
Listed investments	129,625	6,358	-	135,983
Unlisted investments	-	243,811	-	243,811
Private equity investments	-	-	12,528	12,528
Oncology related investments	-	-	798	798
Total assets	129,625	250,169	13,326	393,120
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised losses on open forward foreign currency contracts	-	(180)	-	(180)
Total liabilities	-	(180)	-	(180)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

17. FAIR VALUE MEASUREMENT (continued)

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. The Group's liquidity analysis is detailed in note 16.

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 Limited Partnership's independent administrator.

There were no transfers between levels during the year.

The following table presents the movements in Level 3 investments for the year ended 31 March 2015:

			31.03.15	31.03.14
	Drug Developments Investment	**Private Equity Investments**	**Total**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Opening Balance	798	12,528	13,326	7,775
Purchases	1,342	5,635	6,977	8,424
Reduction in investment*	-	(3,754)	(3,754)	(3,428)
Return of capital	-	(2,391)	(2,391)	-
(Loss)/gain on financial assets at fair value through profit or loss	(43)	670	627	555
	2,097	12,688	14,785	13,326

*Due to accepting new investors, Infracapital Partners (NT) II LLP issued the Partnership with equalisation notices totalling £3,754,000 (31 March 2014: £3,428,000).

The net gain for the year included in the Consolidated Statement of Comprehensive Income in respect of Level 3 investments held at the year end amounted to £627,000 (31 March 2014: £555,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

17. FAIR VALUE MEASUREMENT (continued)

The following table summarises the valuation methodologies used for the Group's investments categorised in Level 3 as of 31 March 2015:

Security description	Fair Value £'000	Valuation methodology	Unobservable inputs	Ranges
Infracapital Partners (NT) II LP	6,990	NAV	Valuation of underlying investments*	N/A
Permira V LP2	5,699	NAV	Valuation of underlying investments*	N/A
BACIT Discovery Limited *(formerly BACIT CHK1 Investment Limited)*	2,097	NAV	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.

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. Investment in The Pioneer Fund is valued at fair value in accordance with IPEVC guidelines.

18. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital include the safeguard of the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group does not have externally-imposed capital requirements. See note 19 for financial commitments of the Group in respect of the underlying investments.

The Group may incur indebtedness for the purpose of financing Share repurchases or redemptions, making investments (including as bridge finance for investment obligations), satisfying working capital requirements or to assist in payment of the Charitable Donation, up to a maximum of 20% of the NAV at the time of incurrence. While the Group has no intention to utilise gearing to assist with the acquisition of the Group's initial investments, it may do so for investment purposes in the future if, at the time of incurrence, it considers it prudent and desirable to do so in light of prevailing market conditions. There is no limitation on indebtedness being incurred at the level of the Group's underlying investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

19. COMMITMENTS

The Group had the following commitments through the Partnership as at 31 March 2015:

Security description	Currency	Total Commitment in 000's	Drawn Commitment in 000's	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

Security description	Currency	Total Commitment in 000's	Drawn Commitment in 000's	31.03.14 Undrawn Commitment in 000's
Infracapital Partners (NT) II LP	Sterling	£25,000	£10,358*	£14,642
Permira V LP 2	Euro	€20,000	£1,157	£15,372
BACIT Discovery Limited *(formerly BACIT CHK1 Investment Limited)*	Sterling	£2,063	£798	£1,265

* As disclosed in Note 17, due to accepting new investors, Infracapital Partners (NT) II LLP issued the Company with an equalisation notices totalling £3,754,000. The £6,318,000 of drawn commitments includes amounts totalling £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.

There were no contingent liabilities as at the consolidated statement of financial position date.

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 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, although there is no obligation to do so.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

19. 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 BACIT Limited 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 £2,097,000 in BACIT Discovery Limited with a further £6,496,000 available at 31 March 2015 to invest in ICR Projects.

20. SUBSEQUENT EVENTS

These Consolidated Financial Statements were approved for issuance by the Board on 6 July 2015. Subsequent events have been evaluated until this date.

A scrip dividend for the year ended 31 March 2015 of 2.1 pence per Ordinary share will be paid on 19 August 2015 to those shareholders on the register of members of the Company as at 17 July 2015.

No other significant post year end events have occurred in respect of the Group that are considered material to the understanding of these audited Consolidated Financial Statements.

Appendix – Charity List

The BACIT Foundation charity roster for the year ended 31 March 2015 is set out below:

Alzheimer's Research UK
Alzheimer's Research UK is a dementia research charity specialising in finding preventions, causes, treatments and a cure for dementia by funding world-class, pioneering research at leading universities. (www.alzheimersresearchuk.org)

The Alzheimer's Society
The Alzheimer's Society is a support and research charity for people with dementia, their families and carers. Its mission is to change the face of dementia research; demonstrate best practice in dementia care and support; provide the best advice and support to anyone dealing with dementia and influence government and society to enable those affected by dementia to live as they wish to live. (www.alzheimers.org.uk)

Beating Bowel Cancer
Beating Bowel Cancer is dedicated to saving lives by working in partnership with individuals, local communities, clinical communities and government to improve public awareness of bowel cancer and to increase the rate of early diagnosis. (www.beatingbowelcancer.org)

Butterfly Thyroid Cancer Trust
Founded in 2003, Butterfly Thyroid Cancer Trust is the first registered charity in the UK dedicated solely to supporting people affected by thyroid cancer. Working alongside an expert medical multi-disciplinary team and Cancer Research UK, they can ensure access to the very best support for their members. (www.butterfly.org.uk)

Child Bereavement UK
Child Bereavement UK supports families and educates professionals when a baby or child of any age dies or is dying, and when a child is facing bereavement. The charity provides ongoing professional support to bereaved children and families and also supports the individuals and organisations that become involved with these families. (www.childbereavement.org.uk)

Downside Up
Downside Up provides support and advice for families raising children with Down Syndrome, develops innovative children's training and parents' support methods, disseminates knowledge and experience among Russian professionals and society, and works towards raising public awareness about Down Syndrome with the aim of changing attitudes. (www.en.downsideup.org)

The Egmont Trust
The Egmont Trust is dedicated to improving the lives of children living with HIV and AIDS in sub-Saharan Africa through one smart, cost-effective project at a time. (www.egmonttrust.org)

The Institute of Cancer Research
The Institute of Cancer Research, London, is one of the world's most influential cancer research institutes, with an outstanding record of achievement dating back more than 100 years. Today, the ICR is ranked as the UK's leading academic research centre, and leads the world in isolating cancer-related genes and discovering new targeted drugs for personalised cancer treatment. The ICR employs leading scientists from over 50 countries around the world and since 2005 alone, 16 drug development candidates have been discovered based on ICR research, 6 of which have progressed into phase 1 clinical trials. The ICR has charitable status and relies on support from partner organisations, charities and donors to fund its research and innovation. (www.icr.ac.uk)

Appendix – Charity List (continued)

The James Wentworth-Stanley Memorial Fund
The James Wentworth-Stanley Memorial Fund was set up by James's parents to help raise awareness of anxiety, depression and suicide among young people and to tackle the terrible and shocking statistic that suicide is the second largest cause of death amongst young men in the UK. (www.jwsmf.org)

JDRF
JDRF (formerly known as the Juvenile Diabetes Research Foundation) is a charitable organization dedicated to funding type 1 diabetes research. JDRF's stated mission is to improve the lives of all people affected by type 1 diabetes by accelerating progress on the most promising opportunities for curing, better treating, and preventing type 1 diabetes. (www.jdrf.org.uk)

The Louis Dundas Centre for Children's Palliative Care
The Louis Dundas Centre for Children's Palliative Care is intended to be a world-class centre of research, teaching and practice in palliative care for children and young people. (www.gosh.org/louis-dundas-centre)

Maggie's
Maggie's is about empowering people to live with, through and beyond cancer by bringing together professional help, communities of support and building design to create exceptional centres for cancer care. Maggie's runs centres where people are welcome at any time, from having just being diagnosed, or undergoing treatment, to post-treatment, recurrence, end of life or in bereavement. (www.maggiescentres.org)

Marie Curie Cancer Care
Marie Curie Cancer Care's vision is that everyone with cancer and other illnesses will have the high quality care and support they need at the end of their life in the place of their choice. It is dedicated to providing specialist homes for the care of cancer patients; providing nursing for patients at home; educating the public on cancer symptoms and treatment and providing urgent welfare needs. (www.mariecurie.org.uk)

NSPCC
The NSPCC was founded in 1884. Its vision is still to end cruelty to children in the UK. The NSPCC protects children across the UK through a wide range of services for both children and adults, including national helplines and local projects. (www.nspcc.org.uk)

The Rwanda Hope Foundation
The Rwanda Hope Foundation (RHF) represents a new approach to fighting poverty. Through enterprise education programmes and a revolving debt/equity fund, RHF will help local Rwandan entrepreneurs and social entrepreneurs to grow their SMEs. Donations to RHF (website launching soon) will be made to Prism the Gift Fund for onward transmission by it to RHF. (www.prismthegiftfund.co.uk)

Scope
Scope campaigns for the full inclusion and equal participation of disabled people in society. It also operates support services such as schools, a college, residential care, training, short breaks and a helpline providing information and advice on disability. (www.scope.org.uk)

Appendix – Charity List (continued)

SSAFA Forces Help
SSAFA Forces Help is one of the UK's leading armed forces charities. It provides practical, financial and emotional support to anyone who is currently serving or has served in the Army, Navy or RAF, and their families, and has been running for over 125 years. (www.ssafa.org.uk)

Women for Women International
Women for Women International works with socially excluded women in eight countries where war and conflict have devastated lives and communities. (www.womenforwomen.org.uk)