

BACIT LIMITED

**INTERIM REPORT AND UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS TO 30 SEPTEMBER 2014**

BACIT LIMITED

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BACIT LIMITED

SUMMARY INFORMATION

Structure

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

The Company makes its investments through BACIT Investments LP Incorporated (the "Partnership"), in which the Company is the sole limited partner. The general partner of the Partnership is BACIT GP Limited (the "General Partner"), a wholly-owned subsidiary of the Company. It also invests in BACIT CHK1 Investment Limited (incorporated 8 November 2013) and has established a UK-incorporated subsidiary, BACIT (UK) Limited (incorporated 2 June 2014) which has applied for authorisation to operate as an Alternative Investment Fund Manager under the UK rules that implement the AIFM Directive. Both entities are also wholly-owned subsidiaries of the Company. BACIT Limited, BACIT GP Limited, BACIT CHK1 Investment Limited and BACIT (UK) Limited are collectively referred to as 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. Consequently the results of the Partnership are no longer consolidated in the Group's financial statements.

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
Capital raised since launch of the Company to 30 September 2014	<u>202,155,679</u>
	<u>408,890,454</u>

Shares in issue at 30 September 2014

	Number of shares
Ordinary shares at launch of the Company	206,734,775
Ordinary shares since launch of the Company to 30 September 2014	<u>176,132,352</u>
	<u>382,867,127</u>

During October 2013, the Company raised approximately £200m gross from the issuance of C Shares. These shares were subsequently converted into the Company's Ordinary Shares.

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 it targets an annualised return per Share in the range of 10% to 15% per annum on the issue price of the Shares. Investments will only be made in cases where the relevant investment manager provides investment capacity on a "gross return" basis, meaning that the Group does not bear the impact of management or performance fees on the relevant investment. This is achieved by the relevant manager or fund agreeing with the Group not to charge management or performance fees, by rebating or donating back to the Group any management or performance fees charged or otherwise arranging for the Group to be compensated so as effectively to increase its investment return on the relevant investment by the amount of any such fees.

BACIT LIMITED

SUMMARY INFORMATION (continued)

Investment Objective and Policy (continued)

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

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

In addition to the Charitable Donation, the Group intends to invest up to 1% of NAV each year to acquire interests in drug development and medical innovation projects undertaken by the ICR or its subsidiaries which have the potential for commercial development and application ("ICR Projects"). To the extent less than 1% of NAV is allocated to ICR Projects in any given year, the 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.

Manager and Investment Advisor

The management team of the General Partner (the "Management Team") manage the Partnership's investment portfolio and investment decisions regarding the investment portfolio are taken by the Management Team with the benefit of advice from a Strategic Advisory Committee to the Partnership.

Alternative Investment Fund Managers Directive

BACIT (UK) Limited has applied for authorisation to operate as an Alternative Investment Fund Manager under the UK rules that implement the AIFM Directive. If the application is successful, it is intended that the ownership of BACIT (UK) Limited will be transferred to the BACIT Foundation, following which BACIT (UK) Limited will take over the management activities currently 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 management costs, including regulatory and compliance costs, as a result.

Ongoing Charges

In accordance with the AIC recommended methodology, Ongoing Charges are calculated based on weighted average Net Asset Value ("NAV"). The Ongoing Charges ratio of the Group including the Partnership for the period ended 30 September 2014 was 0.21% (30 September 2013: 0.26%) excluding charitable donations and 1.19% (30 September 2013: 1.25%) including charitable donations. Ongoing charges do not include any net management fees and performance fees, as no such fees are payable by the Group. 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.

BACIT LIMITED

SUMMARY INFORMATION (continued)

Rebates and Donations

All investments are held through the Partnership and are either (a) 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 does, however, propose to make an investment in CRT Pioneer Fund, LP, which will not be made on a fee free basis. A circular is being sent to the Company's shareholders convening an extraordinary general meeting to seek approval to amend the Company's investment policy.

At the period end the uncrystallised performance fee rebates included as receivables within the Partnership's financial assets at fair value through profit or loss amounted to £364,000.

During the period, rebates and donations earned amounted to £1,785,000, of which £309,000 remained receivable at 30 September 2014. Of the 32 underlying funds in the Partnership's Portfolio Statement, 21 of these underlying funds are invested in a fee free share class and the remaining 11 apply rebates or donations.

BACIT LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder,

In the six months to 30 September 2014 BACIT's net asset value total return was 0.62%. The net asset value per share fell from 114.14 pence to 112.85 pence and a dividend of 2.0 pence per share was paid in September. Since launch in October 2012 the annualised net asset value total return has been 8.8%.

The management report explains performance in the period and describes how the portfolio is positioned. The management team is more cautious than six months ago and is placing greater emphasis on capital preservation in the short term.

After a strong start BACIT's performance has been more muted in the last twelve months. We believe the portfolio is well diversified and should prove resilient in more unsettled markets. We remain confident that the talented managers in our portfolio will produce long-term growth for you and a rising stream of income for the charities we support.

Jeremy Tighe

Chairman

24 November 2014

BACIT LIMITED

REPORT OF THE MANAGEMENT TEAM OF THE GENERAL PARTNER

During the six month financial period from 1 April to 30 September 2014, the total return of BACIT Limited (the “Company”) was 0.62%, including the 2.0p dividend paid out on 10 September. The Net Asset Value (“NAV”) decreased by 1.13% from 114.14p to 112.85p, while the FTSE All-Share (£, TR) rose by 1.24%. The HFRI Fund of Funds Strategic Index rose by 4.27% in Sterling, and by 1.38% in US Dollars.

The Company started the financial period with 90.1% of its assets invested across 31 underlying funds and 22 managers, and ended the period with 93.8% invested across 32 funds, adding a manager in the process. The Company also has an investment in one of the Institute of Cancer Research’s (“ICR”) early stage drug development projects, and has an additional 6.3% of NAV committed to two partially drawn investments, *InfraCapital II* and *Permira V*.

During the first six months of the financial year BACIT’s investments in Japanese and African equities increased in value substantially, as did investments in US and European credit and fixed income, global macro and private equity. These were partially offset by losses in UK, European and Russian equities, and commodities. The underlying managers faced a variety of challenges, particularly in Europe where geopolitical uncertainties on the eastern front started to impact sentiment and demand in core Europe, whilst inconsistent economic data sent mixed messages to markets.

Given the scale of the Japanese and European equity positions (10.8% and 21.8% respectively) and the volatility that they have generated during 2014 it may be helpful to reiterate why the portfolio has these exposures. Both Europe and Japan are at an earlier stage of recovery than the US, whilst Japanese and European equities are less expensive than US equities. Both are benefiting from currency devaluations and will benefit more than the US from lower international oil prices since Europe imports over 50% of its energy needs, Japan over 90%, and the US just 15%. Indeed, lower oil prices are a negative for some US producers as at current price levels (\$80/barrel) some shale and oil sands production is uneconomic.

Both Europe and Japan have also continued quantitative easing which is likely to continue through 2015, whereas it has now been withdrawn in the US, and both have conditions in place to increase the flow of funds into the economy, which should in turn drive economic growth and price earnings multiple expansion. In Japan governance changes are leading to share-buybacks, higher dividend pay-outs and increased capital expenditure, and in Europe credit is starting to flow again after a two year contraction. Finally, structural reform is key to both recoveries. Plans for this have been more clearly described in Japan, where they include proscribing equity purchases for governmental pension funds, than in Europe. For these reason, BACIT’s Japanese exposure is long-biased, whereas almost all of the European equity exposure is through hedge funds.

Sterling strengthened during July to a level not seen since the Crisis, and ended the six month period 2.8% weaker against the US Dollar. This benefited the 56.5% of the portfolio which is invested in unhedged dollar-denominated funds and assets. The Company’s Euro exposure continues to be largely hedged back into Sterling.

We continued to allocate capital following the policy of the last eighteen months, that is to reduce BACIT’s net long equity exposure, and thus to limit losses in any downward move in markets. Long-biased equity funds peaked at almost 30% of NAV twelve months ago and now represent less than 25% of the portfolio and long-short equity funds have been increased from 23% to 29%. Hedge funds have risen from 44% to 50%, and the net long bias of the Fund, which peaked at around 60%, is now running below 50% on our estimates.

BACIT LIMITED

REPORT OF THE MANAGEMENT TEAM OF THE GENERAL PARTNER (continued)

BACIT Investments LP Incorporated's Portfolio Statement (see pages 9 to 10): Category Descriptions

The UK's economic data suggests a late cycle stage of recovery with low personal savings, and a high trade deficit, rising car sales and house prices. As political uncertainty is only likely to intensify as the general election approaches, we have lightened UK long-biased equity holdings.

We have added an investment in Zebedee Growth Fund, a fund that focuses on Europe, where valuations remain low relative to those in the US and to their historical norms. This portfolio manager has a history of generating returns whilst protecting capital, a trait which has returned to the fore during this autumn. We also built up the Company's holding of the *Maga Smaller Companies Fund*, another hedged investment in European equities, and added to the *WyeTree European Recovery* position ahead of further market operations by the ECB.

Equity Funds (22.9% at 30 September 2014 vs. 24.9% at 31 March 2014)

As we have reported over the last eighteen months, we have continued to rebalance the portfolio to make it less dependent on the rising value of equity markets, trimming our UK long only holdings. Japanese equities contributed significantly to performance as markets digest the effect of Prime Minister Abe's imminent reforms, most recently the proposed change in equity weightings of the Government Pension Investment Fund (GPIF). In the UK smaller, growth names fell out of favour and managers preserved capital by rotating into larger, defensive stocks. The Company's positions in Russian equities (3.8% of the portfolio) lost money in a market that was down 18%. Our thesis of the gradual institutionalisation of the Russian capital markets, the relative strength of Russian economy, and the 50% discount to other emerging market PE multiples was drowned during the quarter by the events in Ukraine, and the falling Russian reserves, rouble and oil price.

Equity Hedge Funds (30.9% vs. 28.1%)

The managers in this group expose the Company to Europe, Australia and southern Africa, as well as to mining stocks. We added to one of the existing European hedge fund holdings and added a new position, as described above. The managers in Australia and Africa shared our view that the US Dollar would strengthen as QE ended, with the probable effect of weakening commodity prices, and had positioned their portfolios to benefit from this phenomenon. In Europe, the sudden drop-off in demand following the escalation of events in Ukraine in July, forced a rapid restructuring of books positioned to take advantage of the gradual European recovery.

Commodity Funds (9.7% vs. 9.9%)

Through this group, the Company is exposed to: globally traded agricultural commodities; European and North American power, natural gas, coal and oil; Australasian power; precious and base metals; and the equity of companies mining base and precious metals. The asset prices in this subset are volatile and these funds' risk management is of critical importance. The managers' performances have historically been uncorrelated with one another, and this has continued since the Company's investment, which has muted the volatility of the aggregate returns of this group. Against a backdrop in which the CRB Commodities index declined by 8.6%, and the Junior Gold Miners index by 7.2%, four of the five funds outperformed these indices, and two made money during the period.

BACIT LIMITED

REPORT OF THE MANAGEMENT TEAM OF THE GENERAL PARTNER (continued)

Credit Funds (12.3% vs. 10.8%)

This asset class performed well, with all five funds delivering positive returns, and the strongest performance coming from European mortgage-backed securities, a holding we added to during the second quarter of 2014. Support for this asset class come in part from the market's expectation of the ECB's market operations. BACIT's most liquid investments in credit, which tend to correlate to asset prices in times of stress, sit within a hedged portfolio. The less liquid investments are not hedged, and focus on European property lending (both securitised and whole loan), European small and mid-cap lending and US residential mortgage backed securities.

Other Strategies (18.2% vs. 16.8%)

This group includes six funds which pursue convertible bond arbitrage, long-only inflation-linked bonds, global macro and investing in private equity and infrastructure opportunities. All six funds contributed positively to returns. Both of the private equity investments remain substantially undrawn, and are at the acquisition phase of investment. Whilst both investments are enjoying small positive revaluations, the main return generation phase remains some quarters away.

Since the Period End

The markets during October were as testing as any since BACIT's launch. The end of the US Federal Reserve's Quantitative Easing programme was well heralded, but even so participants found positioning difficult, not knowing precisely how asset prices would react. The US Dollar continued to strengthen against Sterling during the month and the FT All Share Index (£) fell by 0.86%.

Sincere thanks to the managers for giving us the opportunity to invest with them, for preserving capital during the challenging markets of the last few months and for delivering 8.8% annualised returns since the Company's launch in October 2012.

Management Team
BACIT GP Limited
24 November 2014

BACIT LIMITED

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's assets held through the Partnership comprise mainly investments in hedge funds, private equity funds, real estate funds and derivative financial assets. Its principal risks are therefore economic, performance-driven and financial in nature. These risks, and the way in which they are managed, are described in more detail under the heading "Principal Risks and Uncertainties" within the Directors' report in the Group's Annual Report for the year ended 31 March 2014. The Group's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Group's financial year.

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

We confirm to the best of our knowledge:

- the Condensed set of Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union;

- the Chairman's Statement and the Report of the Management Team of the General Partner meet the requirement of an interim management report, and include a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board by:

Jeremy Tigue
Chairman

Jon Moulton
Director

24 November 2014

BACIT LIMITED

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (UNAUDITED)

As at 30 September 2014

	Fair Value £'000	% of Total NAV of Partnership as at 30.09.14	% of Total NAV of Partnership as at 31.03.14
Equity Funds			
BlackRock UK Special Situations Fund <i>UK equities</i>	10,757	2.5	
Majedie Asset UK Equity Fund <i>UK equities</i>	25,125	5.8	
Polar Capital Japan Alpha Fund <i>Japanese large and mid cap equities</i>	32,078	7.4	
Prosperity Russia Domestic Fund Limited <i>Russian equities with a domestic focus</i>	6,008	1.4	
Russian Prosperity Fund <i>Russian equities</i>	10,317	2.4	
The SFP Value Realization Fund Limited <i>Small and mid-cap Japanese equities</i>	14,719	3.4	
	99,004	22.9	24.9
Equity Hedge Funds			
Maga Smaller Companies Fund Limited <i>European equities (Long/Short)</i>	21,144	4.9	
Optimal Australia Absolute Fund <i>Australian listed equities (Long/Short)</i>	3,100	0.7	
PCM Europe Fund Limited <i>European high growth equities</i>	6,182	1.4	
Polygon European Equity Opportunity Fund <i>European event driven equities (Long/Short)</i>	20,804	4.8	
Polygon Mining Opportunity Fund <i>Junior gold miners, hedged with commodities, indices and large caps</i>	12,720	3.0	
Portland Hill Overseas Fund Limited <i>Event-driven equity investments (Long/Short)</i>	13,982	3.2	
SWMC Emerging European Fund <i>Emerging European equities</i>	1,748	0.5	
SW Mitchell European Limited <i>European equities (Long/Short)</i>	20,042	4.6	
Tower Fund Limited <i>South African listed equities (Long/Short)</i>	21,722	5.0	
Zebedee Growth Fund Limited <i>European equities (Long/Short)</i>	11,976	2.8	
	133,420	30.9	28.1
Commodity Funds			
Armajaro AIMS Diversified Fund <i>Global exchange traded agricultural commodities (Long/Short)</i>	9,262	2.2	
BlackRock Natural Resources Growth & Income Fund <i>Global Resource companies' equities</i>	3,977	0.9	
Cumulus Energy Fund Class <i>Northern European energy (Long/Short)</i>	10,212	2.4	
HC Fund Limited <i>Global energy and metals trading (Long/Short)</i>	11,348	2.6	
The AlphaGen Relative Value Agriculture Fund Limited <i>Global exchange traded agricultural commodities (Long/Short)</i>	7,071	1.6	
	41,870	9.7	9.9

BACIT LIMITED

BACIT INVESTMENTS LP INCORPORATED PORTFOLIO STATEMENT (UNAUDITED) (continued) As at 30 September 2014

	Fair Value £'000	% of Total NAV of Partnership as at 30.09.14	% of Total NAV of Partnership as at 31.03.14
Credit Funds			
Chenavari Multi Strategy Credit Fund Limited Class - DX <i>European corporate credit through private transactions</i>	9,555	2.2	
Chenavari Multi Strategy Credit Fund Limited Class - MX <i>European corporate credit through cash and derivatives (Long/Short)</i>	13,996	3.2	
Chenavari Multi Strategy Credit Fund Limited Class - RX <i>European real estate debt, through private and public transactions</i>	4,650	1.1	
Residential Real Estate Total Return Opportunities Fund Ltd <i>US subprime mortgage backed securities</i>	8,499	2.0	
WyeTree European Recovery Fund <i>European residential mortgage-backed securities (Long bias)</i>	16,236	3.8	
	52,936	12.3	10.8
Other Strategies			
BACIT CHK1 Investment Limited <i>Investment in ICR drug development</i>	798	0.2	
CG Portfolio Fund Plc <i>US TIPs (inflation linked government bonds)</i>	14,236	3.2	
Infracapital Partners (NT) II LP <i>Private investments in European infrastructure</i>	9,597	2.2	
Permira V LP 2 <i>Private equity, mid to large cap European buyouts</i>	4,577	1.1	
Polygon Convertible Opportunity Fund <i>US and European convertible arbitrage</i>	8,433	2.0	
Saltrock Fund Limited <i>Discretionary global macro (Long/Short)</i>	20,712	4.8	
Sinfonietta <i>Equities, rates, FX and commodities, with an Asian focus (Long/Short)</i>	20,129	4.7	
	78,482	18.2	16.8
Total Investments	405,712	94.0	90.5
Cash and cash equivalents	16,217	3.7	
Unrealised gains on forward currency contracts	806	0.1	
Trade and other receivables	11,537	2.6	
Trade and other payables	(2,214)	(0.4)	
	26,346	6.0	9.5
Total Value of the Partnership	432,058	100.0	100.0

BACIT LIMITED

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BACIT LIMITED

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 which comprise the BACIT Investments LP Incorporated Portfolio Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statements of Cash Flows and related notes 1 to 17. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

BACIT LIMITED

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor
St Peter Port
24 November 2014

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months to 30 September 2014

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

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

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

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

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

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months to 30 September 2013

			Unaudited 01.04.13 to 30.09.13 restated*	
	Note	Revenue £'000	Capital £'000	Total £'000
Investment income				
Other income	4	3,237	-	3,237
Total investment income		<u>3,237</u>	<u>-</u>	<u>3,237</u>
Net gains on financial assets at fair value through profit or loss	5	-	(1,496)	(1,496)
Total losses		<u>-</u>	<u>(1,496)</u>	<u>(1,496)</u>
Expenses				
Charitable donation	6	1,173	-	1,173
Administration fee	7	81	-	81
Directors' fees	12	51	-	51
Other expenses		92	-	92
Total expenses		<u>1,397</u>	<u>-</u>	<u>1,397</u>
Profit for the period		<u>1,840</u>	<u>(1,496)</u>	<u>344</u>
Earnings per Ordinary Share	11	<u>0.89p</u>	<u>(0.72)p</u>	<u>0.17p</u>

* 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 as adopted by the EU and interpretations adopted by the International Accounting Standards Board ("IASB"). The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

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

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

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

BACIT LIMITED

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

For the six months to 30 September 2014

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

For the six months to 30 September 2013

	Notes	Share Capital Account £'000	Capital Reserves £'000	Revenue Reserves £'000	Total £'000
Balance at the beginning of the period 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 period*		204,061	25,782	(234)	229,609
Total Comprehensive Income for the period*		-	(1,496)	1,840	344
Transactions with Shareholders:					
Distributions	3	-	(461)	(1,606)	(2,067)
Balance at the end of the period*		204,061	23,825	-	227,886

* 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 18 to 32 form an integral part of these financial statements.

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

		Unaudited 30.09.14	Audited 31.03.14 restated*	Audited 31.03.13 restated*
	Notes	£'000	£'000	£'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	8	432,058	434,823	229,428
Current assets				
Bank and cash deposits		53	76	299
Trade and other receivables	9	2,221	3,211	1,007
Total assets		<u>434,332</u>	<u>438,110</u>	<u>230,734</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	10	2,273	3,260	1,125
Total liabilities		<u>2,273</u>	<u>3,260</u>	<u>1,125</u>
EQUITY				
Share capital account	11	403,987	399,764	204,061
Distributable Reserves		28,072	35,086	25,548
Total equity		<u>432,059</u>	<u>434,850</u>	<u>229,609</u>
Total liabilities and equity		<u>434,332</u>	<u>438,110</u>	<u>230,734</u>
Total net assets attributable to holders of Ordinary Shares				
		<u>432,059</u>	<u>434,850</u>	<u>229,609</u>
Number of Ordinary Shares in Issue	11	<u>382,867,127</u>	<u>380,974,677</u>	<u>206,734,776</u>
Net assets attributable to holders of Ordinary Shares (per share)		<u>£1.13</u>	<u>£1.14</u>	<u>£1.11</u>

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

The unaudited condensed consolidated Financial Statements on pages 13 to 32 were approved on 24 November 2014 and signed on behalf of the Board of Directors by:

Jeremy Tigue
Chairman

Jon Moulton
Director

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

BACIT LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months to 30 September 2014

		Unaudited 01.04.14 to 30.09.14	Unaudited 01.04.13 to 30.09.13 *restated
	Notes	£'000	£'000
Cash flows from operating activities			
Profit for the period		2,673	344
Adjusted for:			
Losses on financial assets at fair value through profit or loss		2,765	1,496
Operating cash flows before movements in working capital		5,438	1,840
Decrease/(increase) in other receivables		990	(228)
(Decrease)/increase in other payables		(987)	162
Net cash generated from operating activities		5,441	1,774
Cash flows from financing activities			
Issuance of shares	11	-	(1)
Distribution	11	(5,464)	(2,067)
Net cash used in financing activities		(5,464)	(2,068)
Net decrease in cash and cash equivalents		(23)	(294)
Cash and cash equivalents at beginning of period		76	299
Cash and cash equivalents at end of period		53	5

* 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 18 to 32 form an integral part of these financial statements

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months to 30 September 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

The Financial Statements for the six months ended 30 September 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, the Listing Rules of the London Stock Exchange ("LSE") and applicable legal and regulatory requirements of the Companies (Guernsey) Law, 2008.

A copy of the statutory accounts for the year ended 31 March 2014 has been delivered to the Shareholders. The auditor's report on those accounts was unmodified.

The accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Group's unaudited condensed consolidated interim financial statements (the "Financial Statements"). The accounting policies applied by the Group in these Financial Statements are consistent with those applied by the Group in its financial statements for the year ended 31 March 2014, except for the adoption of the new standards and interpretations effective as of 1 January 2014 as listed below, which had no net impact on the financial position or performance of the Company.

IFRS 10 – Consolidated Financial Statements – (effective 1 January 2014)

IFRS 12 – Disclosure of Interests in Other Entities – (effective 1 January 2014)

IAS 32 – Financial Instruments: Presentation - (effective 1 January 2014)

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.

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;

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Assessment as investment entity (continued)

- 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.

The Company's objective is consistent with that of an investment entity. The Company has clearly defined exit strategies for each of its investment classes; these strategies are again consistent with an investment entity.

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.

In determining the fair value of unlisted investments the Company follows the principles of The International Private Equity and Venture Capital Association ("IPEVCA") Valuation Guidelines. The Valuation Guidelines have been prepared with the goal that Fair Value measurements derived when using these Valuation Guidelines are compliant with IFRS. The Group has determined that the fair value of the Partnership is its net asset value.

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 Investments LP Incorporated is transparent for taxation purposes. BACIT GP Limited is subject to tax in Guernsey at the standard rate of 0%. Both BACIT (UK) Limited and BACIT CHK1 Investment Limited are UK incorporated companies that are tax resident in the UK.

3. DISTRIBUTION TO SHAREHOLDERS

The Company may pay a dividend at the discretion of the Board. The Board is targeting a dividend of approximately 2% per annum of NAV, payable annually. 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. Payment of any dividend will be subject to compliance with applicable laws and regulations. Notwithstanding the distribution policy described above, the Company retains the discretion to reinvest the proceeds of investments received by the Group.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

3. DISTRIBUTION TO SHAREHOLDERS (continued)

During the period ended 30 September 2014, the Company declared a dividend of £7,620,000 (30 September 2013: £2,067,000) relating to the year ended 31 March 2014 (31 March 2013). The dividend was comprised of £5,464,000 cash and a scrip dividend of £2,156,000.

Under the Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to a net asset and solvency test.

4. INCOME

Income consists of investment income received from the Partnership.

During the period, income received from the Partnership amounted to £8,019,000 (30 September 2013: £3,237,000) of which £2,171,000 (31 March 2014: £3,195,000) remained receivable at 30 September 2014.

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

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

	Unaudited 01.04.14 to 30.09.14	Unaudited 01.04.13 to 30.09.13 *restated
	£'000	£'000
Rebates and investment income	3,019	1,060
Expenses (note 12)	(103)	(80)
Distributions (note 4)	(8,019)	(3,237)
(Losses)/gains on financial assets at fair value through profit or loss	(977)	631
Gains on forward currency contracts	3,055	232
Gains/(losses) on foreign currency	260	(102)
Net losses on financial assets at fair value through profit or loss	<u>(2,765)</u>	<u>(1,496)</u>

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

6. CHARITABLE DONATION

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

6. CHARITABLE DONATION (continued)

The calculation of the total NAV for donation purposes, previously determined on an annual basis, is now determined on a monthly basis with effect from 1 April 2013.

During the period, charitable donations accrued amounted to £2,170,000 (30 September 2013: £1,173,000) of which £2,170,000 (31 March 2014: £3,188,000) remained payable at 30 September 2014.

7. ADMINISTRATION FEE

During the period ended 30 September 2014, administration fees of £82,000 (30 September 2013: £81,000) were charged by Northern Trust International Fund Administration Services (Guernsey) Limited to the Group and £50,000 (31 March 2014: £31,000) remained payable at 30 September 2014.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	Unaudited 30.09.14 £'000	Audited 31.03.14 £'000
Cost of the Partnership's investments at the start of the period/year	358,244	169,231
Purchases during the period/year	27,207	233,475
Sales during the period/year	(10,799)	(38,918)
Return on capital	(495)	(12)
Reduction in investment (note 15)	(2,344)	(3,428)
Net realised gains/(losses) on disposals during the period	305	(2,104)
	<hr/>	<hr/>
Cost of the Partnership's investments at the end of the period	372,118	358,244
Net unrealised gains on investments at the end of the period/year	33,594	34,876
Other net current assets	26,346	41,703
	<hr/>	<hr/>
Financial assets at fair value through profit or loss at the end of the period/year	432,058	434,823

9. TRADE AND OTHER RECEIVABLES

	Unaudited 30.09.14 £'000	Audited 31.03.14 *restated £'000
Investment income receivable (note 4)	2,171	3,195
Prepayments	50	16
	<hr/>	<hr/>
	2,221	3,211

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

10. TRADE AND OTHER PAYABLES

	Unaudited 30.09.14	Audited 31.03.14 *restated
	£'000	£'000
Charitable donations payable (note 6)	2,170	3,188
Directors' fee payable (note 12)	25	25
Administration fee payable (note 7)	50	31
Audit fee payable	22	11
Other payables	6	5
	<u>2,273</u>	<u>3,260</u>

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

11. SHARE CAPITAL ACCOUNT

A. Authorised Share Capital

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

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

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

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

11. SHARE CAPITAL ACCOUNT (continued)

A. Authorised Share Capital (continued)

	Ordinary Shares 01.04.14 to 30.09.14 £'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 period/year	401,831	-	204,061
Issued during the period/year	2,156	200,000	197,770
Converted to Ordinary Shares	-	(197,770)	-
Share issue costs	-	(2,230)	-
	<u>403,987</u>	<u>-</u>	<u>401,831</u>

	Ordinary Shares 01.04.14 to 30.09.14 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 period/year	380,974,677	-	206,734,775
Issued during the period/year	1,892,450	200,000,000	174,239,902
Converted to Ordinary Shares	-	(200,000,000)	-
	<u>382,867,127</u>	<u>-</u>	<u>380,974,677</u>

B. Capital Reserves

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

C. Basic and Diluted Earnings per Share

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

	Unaudited 01.04.14 to 30.09.14	Unaudited 01.04.13 to 30.09.13
Earnings for the purposes of earnings per share	2,672,776	343,668
Weighted average number of shares	381,182,639	206,734,775
Basic earnings per share	0.70p	0.17p

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

12. RELATED PARTY TRANSACTIONS

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

The Company has seven non-executive directors. All the Directors of the Company also serve as Directors of the General Partner.

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 Tigie and Mr Henderson have agreed to waive their right to receive their fees.

During the period, Directors' fees paid amounted to £50,000 (30 September 2013: £51,000) of which £25,000 (31 March 2014: £25,000) remained payable at 30 September 2014.

Director and other interests

As at 30 September 2014, the Directors of the Company held the following Ordinary Shares beneficially:

Director	Shares 30.09.14	Shares 31.03.14
Jeremy Tigie	343,039	337,120
Peter Hames	68,607	67,424
Tom Henderson*	16,742,400	16,742,400
Colin Maltby	68,607	67,424
Jon Moulton	1,017,559	1,000,000
Martin Thomas	139,527	137,120

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

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

In accordance with the amended Deed entered into between the Company, the General Partner and Farla Limited, Farla Limited agrees to provide office space, equipment and the reimbursement of expenses of the Management Team 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 £66,000 (30 September 2013: £365,000).

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. The amount paid to The BACIT Foundation during the six months ended 30 September 2014, in respect of the year to 31 March 2014, is £1,594,000.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

12. RELATED PARTY TRANSACTIONS (continued)

During the period under review the following shares were held by members of the Management team:

	Shares 30.09.14	Shares 31.03.14
Tom Henderson	16,742,400	16,742,000
John McDonald	292,160	287,120
Arabella Cecil	380,801	374,240
Fenella Dernie	13,143	13,143

Significant agreements

Northern Trust International Fund Administration Services (Guernsey) Limited performs administrative duties to the Group. Please refer to note 6.

Northern Trust (Guernsey) Limited also serves as custodian to the Partnership. During the period ended 30 September 2014, custodian fees of £86,000 (30 September 2013: £60,000) were charged by Northern Trust (Guernsey) Limited to the Group and £40,000 (31 March 2014: £37,000) remained payable as at 30 September 2014.

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

13. OPERATING SEGMENTS

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

14. FINANCIAL INSTRUMENTS

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

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

	Unaudited 30.09.14 Fair Value £'000	Audited 31.03.14 Fair Value *restated £'000
Financial assets designated at fair value through profit or loss		
BACIT Investments LP Incorporated	432,058	434,823
Total financial assets designated at fair value through profit or loss	432,058	434,823
Other financial assets	2,274	3,287
Financial liabilities designated at fair value through profit or loss		
Other financial liabilities	(2,273)	(3,260)
Total Financial assets designated at fair value through profit or loss	432,059	434,850

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

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

	Unaudited 30.09.14 Fair Value £'000	Audited 31.03.14 Fair Value *restated £'000
Financial assets designated at fair value through profit or loss		
Listed Investments	123,571	135,983
Unlisted Investments	282,141	257,137
Unrealised gains on open forward foreign currency contracts	806	-
Total financial assets designated at fair value through profit or loss	406,518	393,120
Other financial assets	27,754	45,123

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

14. FINANCIAL INSTRUMENTS (continued)

	Unaudited 30.09.14 Fair Value £'000	Audited 31.03.14 Fair Value *restated £'000
Financial liabilities designated at fair value through profit or loss		
Unrealised losses on open forward foreign currency contracts	-	(180)
Other financial liabilities	(2,214)	(3,240)
Total Financial assets designated at fair value through profit or loss	432,058	434,823

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

Financial Risk Management

The Group's financial risk management objectives and policies are unchanged from those disclosed in the annual audited consolidated financial statements as at and for the year ended 31 March 2014.

15. FAIR VALUE HIERARCHY

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

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

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

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) or other market corroborated inputs; and

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

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

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

15. FAIR VALUE HIERARCHY (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, not proprietary, 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 30 September 2014:

	Level 1	Level 2	Level 3	Unaudited 30.09.14 Total
Assets	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss:				
BACIT Investments LP Incorporated	-	432,058	-	432,058
Total assets	-	432,058	-	432,058
				Audited 31.03.14 Total
Assets	Level 1 £'000	Level 2 £'000	Level 3 £'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

As noted below, 3.5% 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 FV 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.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

15. FAIR VALUE HIERARCHY (continued)

The following table presents the Partnership's financial assets and liabilities by level within the valuation hierarchy as of 30 September 2014:

	Level 1	Level 2	Level 3	Unaudited 30.09.14 Total £'000
Assets	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss:				
Listed investments	123,571	-	-	123,571
Unlisted investments	-	267,169	-	267,169
Private equity investments	-	-	14,174	14,174
Drug development investments	-	-	798	798
Unrealised gains on open forward foreign currency contracts	-	806	-	806
Total assets	123,571	267,975	14,972	406,518
Assets	Level 1	Level 2	Level 3	Audited 31.03.14 Total £'000
Assets	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss:				
Listed investments	135,983	-	-	135,983
Unlisted investments	-	243,811	-	243,811
Private equity investments	-	-	12,528	12,528
Drug development investments	-	-	798	798
Total assets	135,983	243,811	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)

Assets classified as Level 2 investments by the Partnership 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 Partnership 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.

BACIT LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

15. FAIR VALUE HIERARCHY (continued)

Assets classified as Level 3 investments by the Partnership include underlying funds which are not traded or available for redemption. The fair value of these assets is derived from quarterly statements provided by the fund's independent administrator. Level 3 also include drug development investments which are held at cost as an estimation of fair value.

There were no transfers between levels during the period.

The following table presents the movements in level 3 investments held by the Partnership for the period ended 30 September 2014:

			Unaudited 30.09.14	Audited 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	-	4,091	4,091	8,424
Reduction in investment*	-	(2,344)	(2,344)	(3,428)
(Loss)/gain on financial assets at fair value through profit or loss	-	(101)	(101)	555
	798	14,174	14,972	13,326

*Due to accepting new investors, Infracapital Partners (NT) II LLP issued the Company with equalisation notices totalling £2,344,000 (31 March 2014: £3,428,000).

The net loss for the period included in the Consolidated Statement of Comprehensive Income in respect of level 3 investments held at the period end amounted to £8,000 (30 September 2013: £531,000 gain).

The following table summarises the valuation methodologies used for the Partnership's investments categorised in level 3 as of 30 September 2014:

Security description	Fair Value £'000	Valuation methodology	Unobservable inputs	Ranges
Infracapital Partners (NT) II LP	9,597	NAV	None	N/A
Permira V LP2	4,577	NAV	None	N/A
BACIT CHK1 Investment Limited	798	Cost	None	N/A

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, ie at NAV. In line with the recent 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.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

15. FAIR VALUE HIERARCHY (continued)

The Partnership has entered into an agreement with other parties to invest in a drug development project. Initial overall project costs are estimated at £8,000,000 for all parties, of which 27.5% has been committed to by the Partnership. The project will be funded in three tranches. The first tranche was called on 24 September 2013 amounting to £798,000 and was paid in February 2014. Investment in drug development is valued at cost as an approximation of fair value in accordance with IPEVC guidelines.

16. COMMITMENTS

The Partnership had the following commitments as at 30 September 2014:

Security description	Currency	Total	Drawn	Unaudited
		Commitment	Commitment	30.09.14
		in 000's	in 000's	Undrawn
				Commitment
				in 000's
Infracapital Partners (NT) II LP	Sterling	£25,000	£8,478	£16,522
Permira V LP 2	Euro	€20,000	£4,577	£10,979
BACIT CHK1 Investment Limited	Sterling	£2,063	£798	£1,265

Security description	Currency	Total	Drawn	Audited
		Commitment	Commitment	31.03.14
		in 000's	in 000's	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 CHK1 Investment Limited	Sterling	£2,063	£798	£1,265

There were no contingent liabilities as at 30 September 2014.

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 currently has committed to invest £2,063,000 with a further £4,280,000 available as at 30 September 2014 to invest in drug development and medical innovation projects.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months to 30 September 2014

17. SUBSEQUENT EVENTS

These Consolidated Financial Statements were approved for issuance by the Board on 24 November 2014. Subsequent events have been evaluated until this date.

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