JPEL Private Equity Limited

Annual Report and Financial Statements
for the year ended 30 June 2021

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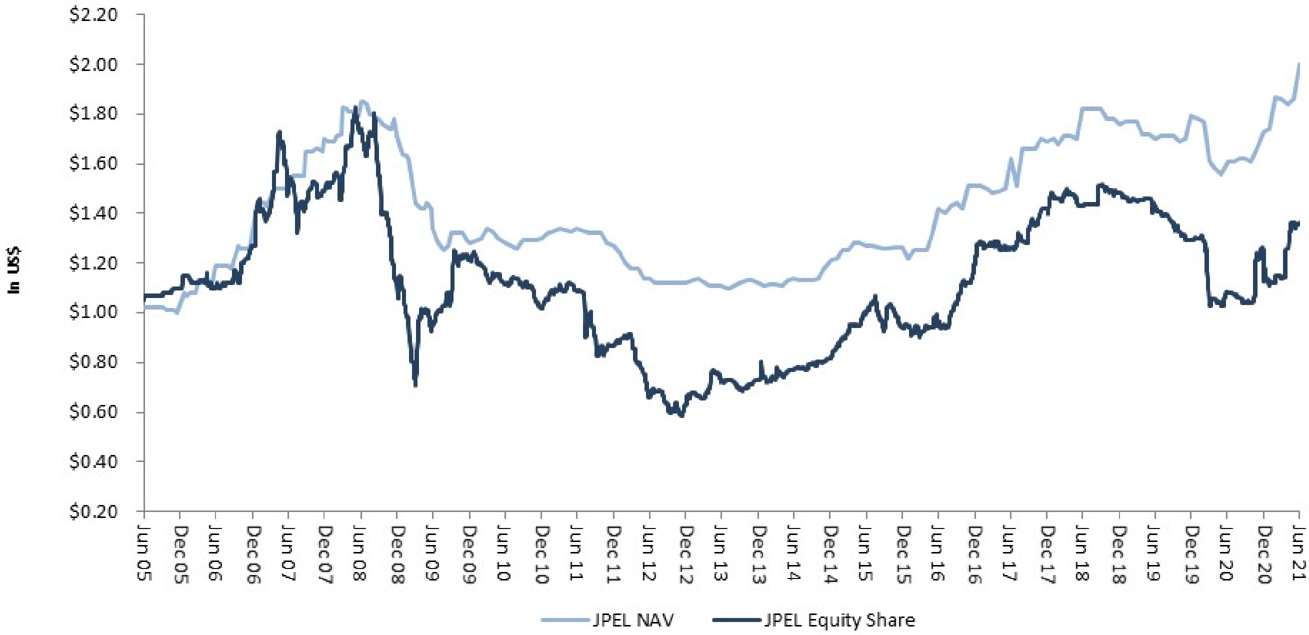
Financial Summary (Company Information)

	30 June 2021	30 June 2020
US$ Equity Shares		
Net Asset Value ("NAV") per Share	$2.03	$1.61
Share Price	$1.36	$1.08
Shares in Issuance (excluding shares held in treasury)	82.5m	129.1m
Statement of Financial Position (extract)		
Investments at Fair Value*	$153.0m	$193.5m
Cash and cash equivalents**	$15.0m	$15.2m
Other Assets[1]	$1.7m	$0.1m
Credit Facility	-	-
Other Liabilities[2]	($2.5m)	($1.4m)
US$ Equity NAV[3]	**$167.2m**	**$207.4m**
Ongoing charges[4]		
Excluding performance fee	1.66%	1.46%
Including performance fee	1.67%	1.46%

*** Investments at Fair Value include private equity portfolio investments of $152.0 million and $1.0 million of cash at subsidiary (Bear Stearns Global Turnaround Fund LP).**
**** Cash and cash equivalents does not include $1.0 million of cash at subsidiary (Bear Stearns Global Turnaround Fund LP).**

Performance as at 30 June 2021

JPEL NAV and Share Price Development from Inception through 30 June 2021[5]



Past performance is not an indication of future performance

[1] Includes distribution receivable, prepayments and derivative assets.
[2] Includes fee accruals, other payables and derivative liabilities.
[3] The NAV represents the capital of the Company which includes the NAV of the US$ Equity Shares. Numbers may not sum due to rounding.
[4] Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average NAV throughout the year.
[5] Source: Manager, Bloomberg as at 30 June 2021.

Overview, Investment Strategy, Investment Policy & Leverage

OVERVIEW

JPEL Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company with a Premium Listing on the London Stock Exchange (LSE: JPEL).

The investment advisor of the Company is FCF JPEL Management LLC (the "FCF JPEL" or the "Manager"). The Manager is a Delaware limited liability company and an affiliate of Fortress Investment Group LLC ("FIG" or "Fortress"). The Manager is a "relying advisor" of Fortress, pursuant to applicable SEC guidance.

The Company has entered into a management agreement with the Manager, subject to the overall supervision of the board of directors of the Company (the "Directors" or the "Board"). All Directors are independent of the Manager. The Directors have overall responsibility for the Company's investment policy and the Company's activities.

The key measure of performance used by the Board and shareholders to assess the Company's performance is the NAV which is prepared on a monthly basis by IQ EQ Fund Services (Guernsey) Limited (the "Administrator" or "IQ-EQ").

INVESTMENT STRATEGY & INVESTMENT POLICY

Following the retirement of JPEL's 2017 zero dividend preference shares in October 2017 and change to the Company's investment policy, the Manager is effecting an orderly realisation of the investments and other assets comprised in the Company's portfolio and will seek to realise such investments and assets in order to maximise returns to US$ Equity Shareholders (as defined below).

This will include the Manager exploring the private equity secondary market for the Company's legacy fund interests as well as holding the direct investment portfolio until maturity, if the Manager believes that market pricing would be more favourable than realising such investments before their maturity.

The Company has not and will not make any new investments save for follow-on investments associated with existing investments to meet capital calls with respect to its undrawn commitments to underlying investments or to preserve or protect the value of its existing investments.

LEVERAGE

The Company has the ability to borrow up to 30% of its adjusted total of capital and reserves subject to and in accordance with the limitations and conditions in its articles of incorporation ("Articles"). As part of its leverage policy, the Company may borrow: (i) for short-term or temporary purposes as is necessary for the settlement of transactions; (ii) to facilitate the operation of the over-commitment policy; or (iii) to meet ongoing expenses. The Directors and the Manager will not incur any short-term borrowings to facilitate any tender or redemption of US$ equity shares (the "Shares" or "US$ Equity Shares" and the holders of such US$ Equity Shares being the "US$ Equity Shareholders") unless such borrowings have a repayment period of 180 days or less. The Company is indirectly exposed to borrowings to the extent that subsidiaries and underlying funds in its portfolio are themselves leveraged.

Chairman's Statement

Since the previous annual report dated 30 June 2020, JPEL has continued to seek to maximise returns to shareholders and to effect an orderly realisation of its portfolio. Inclusive of the mandatory redemption completed in August 2021, the Company has distributed approximately $160 million to shareholders since June 2020.

REVIEW OF PROGRESS SINCE JANUARY 2014

On 15 January 2014 JPEL announced that it would cease capital distributions to US$ Equity Shareholders and invest up to $150 million in private companies, predominantly in the US and Western Europe, via the secondary and co-investment markets (the "Announcements"). The goal was to enhance NAV through several targeted secondary direct investments while utilising cash flows received from JPEL's mature, legacy portfolio to fund these new investments and to reduce debt.

When the Company made this announcement, the US$ Equity Share price and NAV per share was $0.80 and $1.13, respectively and the total outstanding debt (including zero dividend preference shares) was $167.8 million.

The 2021 fiscal year marks seven and a half years since the Announcement and since then:

- inclusive of the $85 million returned to shareholders in August 2021, $499.2 million was returned to equity shareholders at prevailing NAVs ranging from $1.42 to $2.00 per share;
- a significant portion of JPEL's performance and volume of cash distributions is directly attributable to the investments made during the two years from 2014-2016 ("The New Portfolio"); and
  The New Portfolio (including a late 2013 investment) has produced a multiple on invested capital ("MOIC") of 2.37x and an internal rate of return ("IRR") of 25.1%[1],

  all as shown in the table below.

New Portfolio: Performance through 30 June 2021[1]

	Cost	Realized	Unrealized	Total Value	MOIC	IRR
Total New Investments	**$184.7**	**$412.0**	**$25.3**	**$437.3**	**2.37x**	**25.1%**

NAV AND SHARE PRICE PERFORMANCE

In the twelve months ending 30 June 2021, JPEL's NAV per US$ Equity Share increased 26.1%, to $2.03 from $1.61. During the fiscal year, the Company's NAV was positively affected by JPEL's two largest underlying portfolio company investments, being MBI Holdings ("MBI") and Milestone Investisseurs 2014 SLP's investment in Swania International SA ("Swania"). In December 2020, JPEL announced the exit of MBI at an 8.5% premium ($5.5 mm uplift) to prevailing NAV. Subsequent to the period, JPEL announced that Swania was sold at a ~19% premium (€10.2 mm uplift) to the prevailing NAV. The year end valuation of Swania is reflective of the post year end sale value. As a result of the NAV uplifts discussed above, a performance fee in the amount of approximately $1.7 million is due to the Manager as of 30 June 2021, which is in line with the investment management agreement and as disclosed within this annual report and financial statements (the "Report") under note 17.

During the fiscal year, JPEL's US$ Equity Share price increased 26% to $1.36 from $1.08. As of 30 June 2021, JPEL traded at a 33% discount to 30 June 2021 with a NAV of $2.03 per US$ Equity Share.

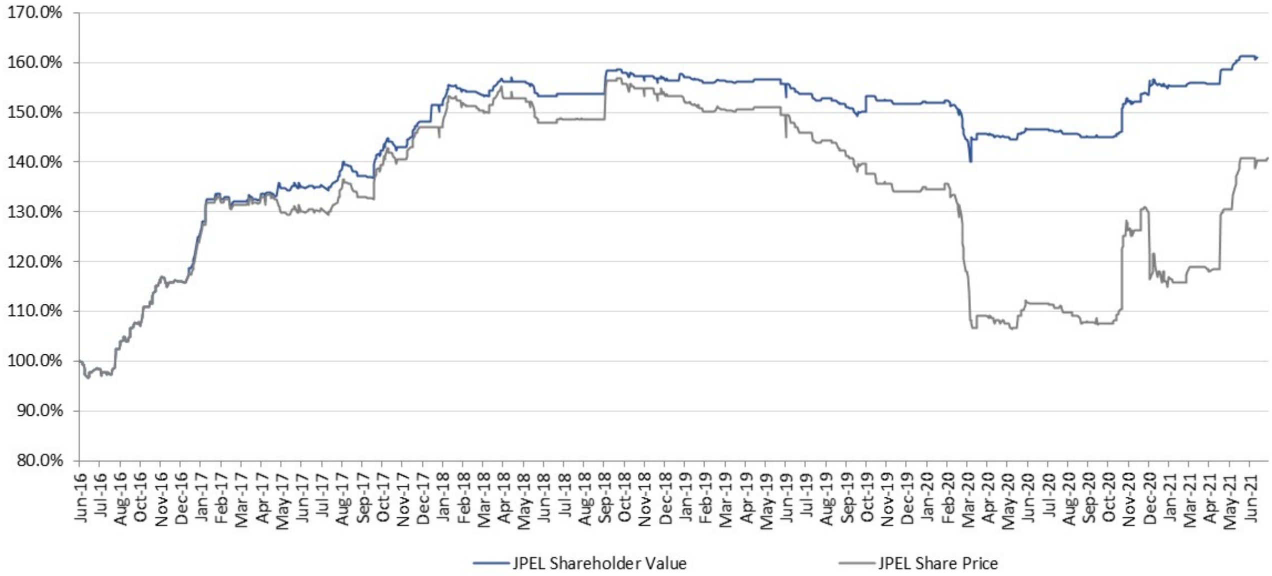
Subsequent to the year-end, JPEL's US$ Equity Share price increased to $1.55 on 25 September 2021. As of 25 September 2021, JPEL traded at a 23.9% discount to prevailing NAV.

Including the return of capital through JPEL's nine mandatory redemptions, holders of JPEL's US$ Equity shares experienced a 61% increase in shareholder value[2] from 30 June 2016 through to 30 June 2021. If a US$ Equity Shareholder owned $1.00 of JPEL in June 2016, the total return would be $1.61 at June 2021 ($1.27 from mandatory redemptions and $0.34 in remaining shareholder equity).

[1] IRR and MOIC have been adjusted to exclude the effect of foreign exchange. Returns are net of underlying sponsor fees and gross of JPEL fees. Numbers may not add due to rounding.
[2] "shareholder value" includes the impact of the mandatory redemptions as well as JPEL's increase in share price.

Chairman's Statement continued

US$ Equity Shareholder Value



Source: Manager, Bloomberg as at 30 June 2021.

RETURN OF CAPITAL

Inclusive of the ninth mandatory redemption in August 2021, JPEL returned approximately $160 million to shareholders since 30 June 2020. On 30 December 2020 and 12 August 2021, JPEL completed its eighth and ninth mandatory redemptions. Inclusive of these mandatory redemptions, JPEL has returned $499.2 million to US$ Equity Shareholders, or approximately 104.2% and 131.3% of prevailing NAV and market capitalisation, respectively at the time of the Company's initial mandatory redemption.

The Company will continue to review its cash balance and will determine the timing of the next mandatory redemption in due course.

DISTRIBUTION ACTIVITY[1]

In total, JPEL received $85.2 million of gross distributions[2] or 44.0% of the prior year's private equity portfolio value at 30 June 2020. During the fiscal year, JPEL funded $1.6 million of capital calls[2].

JPEL's pre-credit crisis or legacy portfolio* represented 11.5% of total distributions, or $9.8 million for the 2021 fiscal year. As a result, JPEL's legacy portfolio only represents 12.1% of the of total private equity portfolio value at 30 June 2021.

The majority of distributions received during the 2021 fiscal year were primarily due to JPEL's exit of its largest investment at 30 June 2020, MBI.

[1] Distributions are shown on a cash basis. Distributions from JPEL's investment in ROC Capital Trust are reflected on the date that JPEL received the distribution from ROC Capital Trust.
[2] These are included in the Cash flow Statement as $84.6 million and $1.7 million, respectively. The difference of $0.6 million and $0.1 million are due to netting off of the income and expense elements of the distribution and calls in order to present the respective cash flows as recognised in the financial statements.

Pre-Credit Crisis Portfolio Distribution Activity*

Fiscal Year Ended 30 June	Pre-Credit Crisis Distributions as % of Total Distributions	Pre-Credit Crisis Distributions as % of Prior Year Pre-Credit Crisis Portfolio Value	Pre-Credit Crisis Portfolio Value % of JPEL's total PE Portfolio Value
2015	51.1%	25.8%	39.6%
2016	54.4%	33.6%	26.9%
2017	22.7%	28.2%	26.2%
2018	22.0%	29.7%	23.4%
2019	70.5%	33.9%	17.0%
2020	25.9%	50.5%	14.2%
2021	11.5%	35.9%	12.1%

* Source: Managers. As at 30 June 2021. Pre-Credit Crisis portfolio is defined as those investments made prior to 30 September 2008.

Post-Credit Crisis Portfolio Distribution Activity*

Fiscal Year Ended 30 June	Post-Credit Crisis Distributions as % of Total Distributions	Post-Credit Crisis Distributions as % of Prior Year Post-Credit Crisis Portfolio Value	Post-Credit Crisis Portfolio Value % of JPEL's total PE Portfolio Value
2015	48.9%	18.0%	60.4%
2016	45.6%	15.8%	73.1%
2017	77.3%	30.4%	73.8%
2018	78.0%	37.4%	76.6%
2019	29.5%	4.3%	83.0%
2020	74.1%	29.6%	85.8%
2021	88.5%	45.4%	87.9%

* Source: Managers. As at 30 June 2021. Post Credit Crisis Portfolio is defined as those investments made after 30 September 2008.

CAPITAL POSITION

As at 30 June 2021, the Company did not have any leverage and had $17.7 million in cash and cash equivalents and other assets which includes $1.0 million cash held at subsidiary Bear Stearns Global Turnaround Fund LP.

JPEL's existing credit facility with Lloyds expires at the end of December 2021. The size of JPEL's facility is $10 million at LIBOR / EURIBOR + 250bps for drawn amounts. The Board and the Manager will not extend the credit facility upon expiration.

MARKET OUTLOOK

The outbreak of the COVID-19 continues to impact global commercial activity, and has contributed to significant volatility in financial markets. The Manager continues to engage in regular dialogue with the management and sponsors of its largest underlying positions and has been receiving regular updates on any potential and anticipated impact on underlying portfolio company operations. Based on these conversations and sponsor reports received to date, the Board and the Manager believe that the Company has experienced minimal impact from COVID-19 and the current environment continues to be favourable for realisations of well performing private equity assets.

The current portfolio is mature, with a weighted average age of 8.3 years at 30 June 2021. The Board and the Manager anticipate that the majority of the JPEL portfolio will be wound down within the next three years. However, the Board and the Manager continue to explore all options for the Company including exits for certain or all assets within the portfolio prior the end of the three year period.

Chairman's Statement continued

CONCLUSION

I have had the pleasure of speaking with many JPEL US$ Equity Shareholders and hope to continue to do so in the coming fiscal year. Both JPEL's Board and Manager remain focused on maximising value in the portfolio and returning capital to US$ Equity Shareholders. In conclusion, I would like to thank shareholders for the support that they have placed in the Company.

Sean Hurst
Chairman
28 September 2021

Corporate Actions

CORPORATE ACTIONS

- On 4 November 2020, JPEL published a circular to Shareholders.

    - The circular contained a notice of the annual general meeting (the "AGM") that was held on 25 November 2020.
    - The following summarises all of the resolutions the Company sought approval for at the AGM:

- Special Resolutions
    1. To renew the Company's authority to make purchases of up to 15 per cent. of its own issued Shares pursuant to any proposed tender offer.
    2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of its own issued Shares.

- Ordinary Resolutions
    3. To approve and adopt the annual report and financial statements of the Company for the year ended 30 June 2020.
    4. To re-elect PricewaterhouseCoopers CI LLP as Auditors of the Company.
    5. To re-authorise the Directors to determine the Auditors' remuneration.
    6. To re-authorise and agree the remuneration of the Directors in accordance with the Articles.
    7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation.
    8. To re-elect John Loudon as a non-executive, independent director of the Company, who retires by rotation.
    9. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation.
    10. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.

- On 26 November 2020, JPEL announced that at the AGM of the Company was held on 25 November 2020 and that all resolutions put to shareholders at the AGM were duly passed.
    - As discussed in the 26 November 2020 AGM Results Announcement, in accordance with the provisions of the AIC Code (as defined below), the JPEL Board intends to reduce the size of the Board by the next AGM in 2021.

- On 30 December 2020 JPEL announced that the eighth mandatory redemption of the Company's US$ Equity Share class announced on 17 December 2020 had been completed.

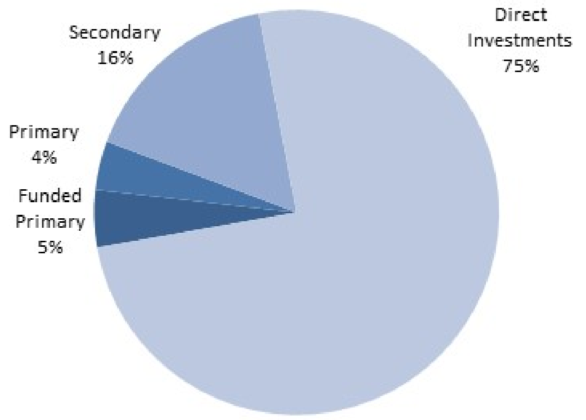
- On 12 August 2021, JPEL announced that the ninth mandatory redemption of the Company's US$ Equity Share class announced on 23 July 2021 had been completed.

Manager's Report

PORTFOLIO REVIEW

JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 30 June 2021. The Company engaged in a single segment of business, as detailed in note 1 to the financial statements, and the diversification analysis is provided as supplementary information.

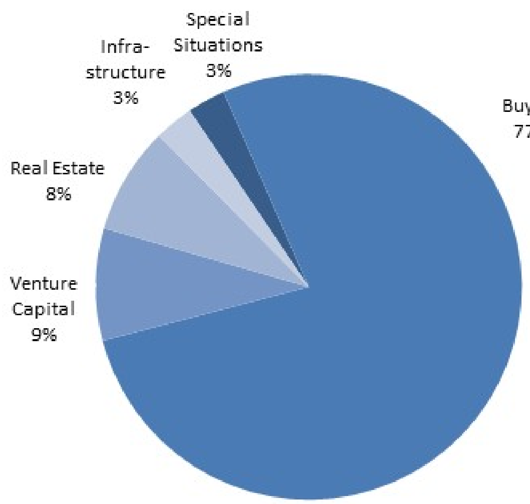
Investment Type[1]



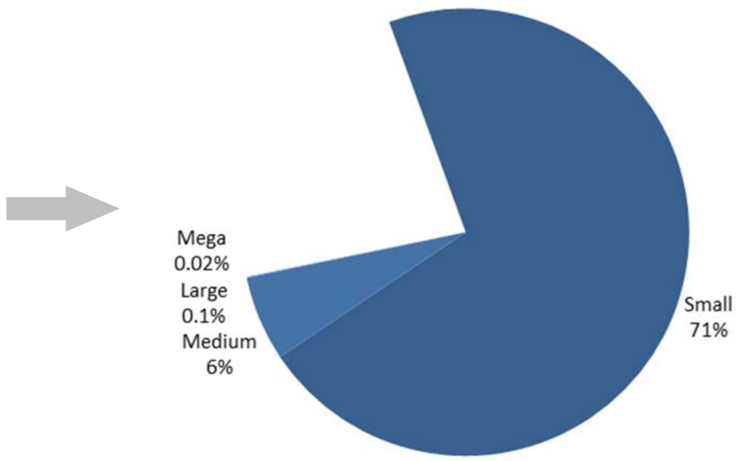
Direct investments comprise 75% of the portfolio, while secondary investments make up 16% of JPEL's portfolio NAV.

As at 30 June 2021, funded primaries comprised 5% of JPEL's portfolio while primary investments made up 4% of JPEL's portfolio NAV.

Investment Strategy[1]



Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 77% of JPEL's portfolio. Within this strategy, the majority of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilise less leverage.

JPEL's exposure to venture capital and real estate stand at 9% and 8%, respectively, in each category. JPEL maintains a 3% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. JPEL's exposure to infrastructure stands at 3%.

[1] Based on 30 June 2021 market value of investments, percentages based on underlying fund-level values.
[2] Fund classifications for buyout strategy are based on total fund commitments: Small: $0 - $500 million; Medium: $500 - $2,000 million; Large: $2,000 million - $5,000 million; and Mega: over $5,000 million. Co-investments allocated by size of underlying sponsor fund.

Manager's Report continued

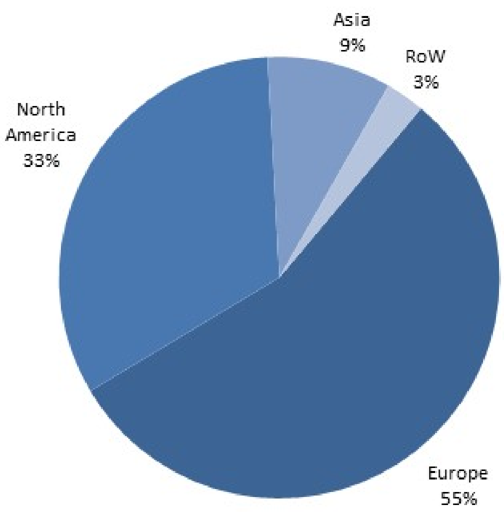
PORTFOLIO REVIEW continued

Portfolio Age[1]

Weighted Average Age of Portfolio by Investment Strategy	
Overall portfolio:	**8.3 years**
Buyout investments:	7.7 years
Small buyout:	7.7 years
Medium buyout:	7.5 years
Large buyout:	14.3 years
Venture Capital investments:	12.2 years
Real Estate investments:	9.2 years
Special Situations:	13.3 years
Infrastructure investments:	14.8 years
Direct investments	7.0 years
Fund investments	11.9 years

JPEL's portfolio has a weighted average age of 8.3 years and continues to be well positioned on the private equity "J-Curve" to receive distributions.

Geographic Footprint[2]



JPEL's private equity portfolio is diversified with investments in over 30 countries. Europe and North America represent the majority of the Company's portfolio at 55% and 33%, respectively. JPEL's allocation to Asia stands at 9% while investments in the rest of the world represent 3% of the portfolio.

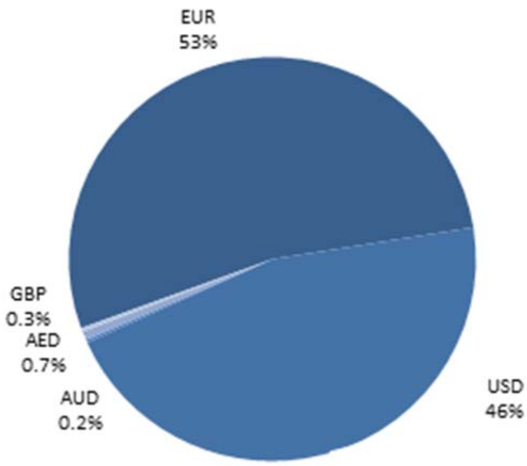
[1] Based on 30 June 2021 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date on which each individual portfolio company investment was made by JPEL or the underlying sponsor on a look through basis, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 30 June 2021. Average is weighted based on investments at market value as at 30 June 2020 percentages based on underlying company-level values.

[2] Based on 30 June 2021 market value of investments, percentages based on underlying company-level values.

Manager's Report continued

PORTFOLIO REVIEW continued

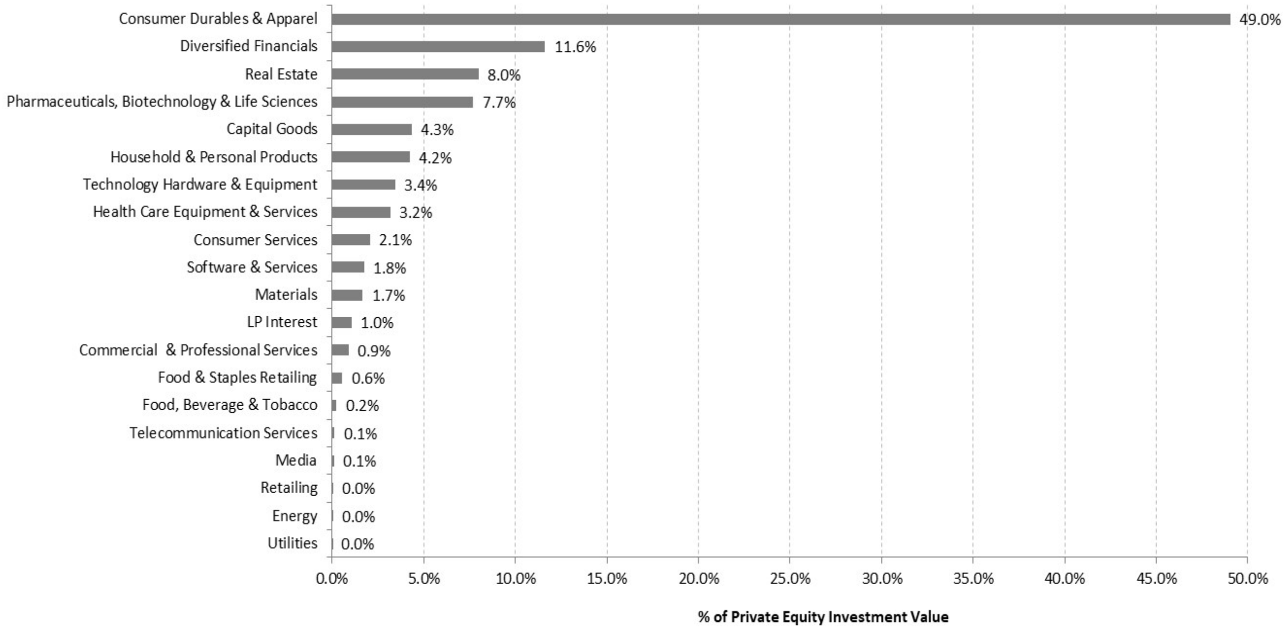
Currency Composition[1]



As at 30 June 2021, investments held in Euros made up approximately 53% of the Company's portfolio. Investments held in US Dollars comprised 46% of the Company's portfolio, while the UAE Dirham, Sterling and Australian Dollar represented 0.7%, 0.3%, and 0.2% of the portfolio, respectively.

Industry Composition[2]

In addition to geographic diversification, the Manager diversifies JPEL's portfolio by industry composition. The portfolio is currently weighted towards consumer durables and apparel with 49.0% of investment value in this sector.

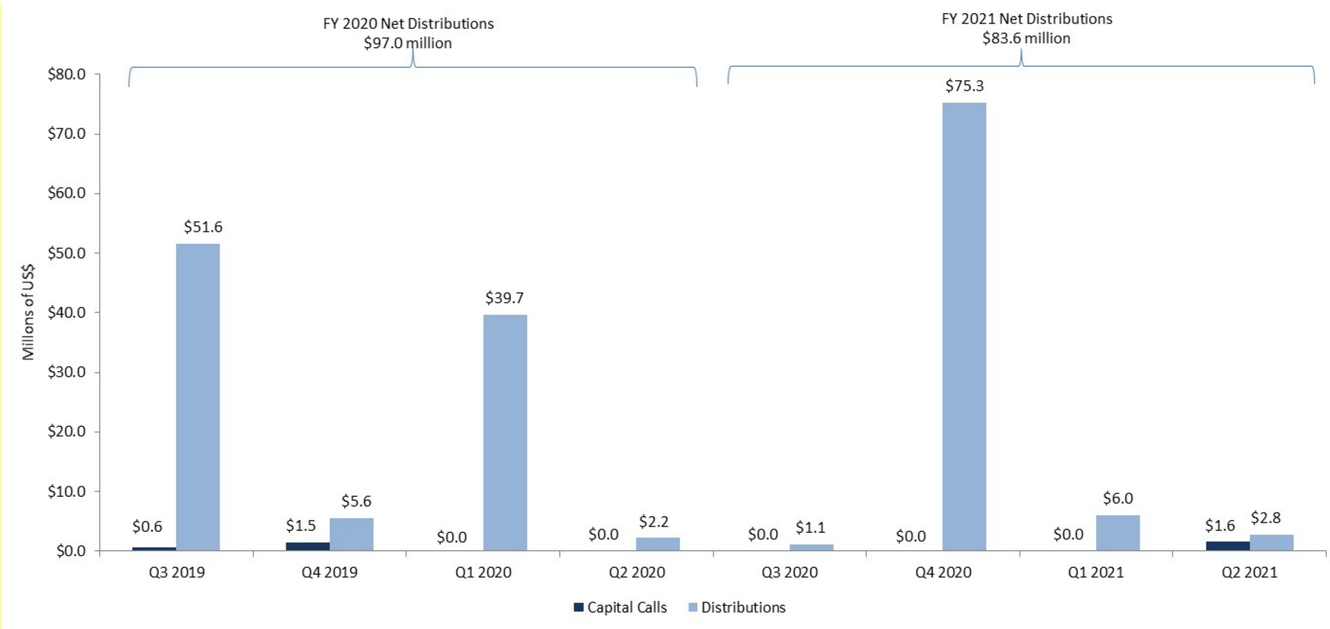


[1] Based on 30 June 2021 market value of investments, percentages based on underlying fund-level values. Please refer to pages 49 to 51 of the financial statements for net currency exposure on the Company Level. Numbers may not add due to rounding.
[2] Based on 30 June 2021 market value of investments, percentages based on underlying company-level values. LP Interest includes underlying partnership investments held through fund of fund positions.

Manager's Report continued

CAPITAL CALLS AND DISTRIBUTIONS

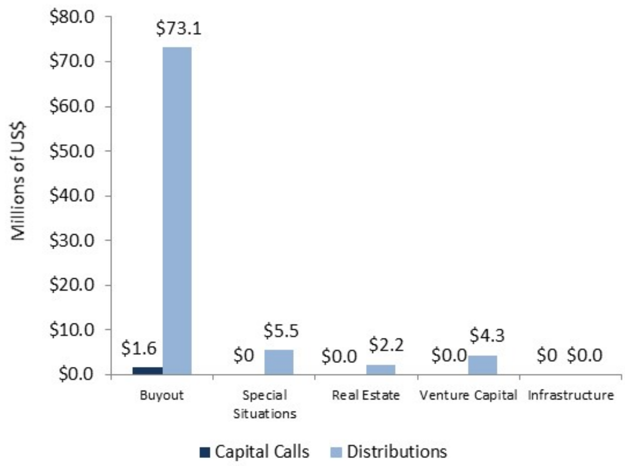
Capital Call and Distribution Summary (last 2 years)[1]



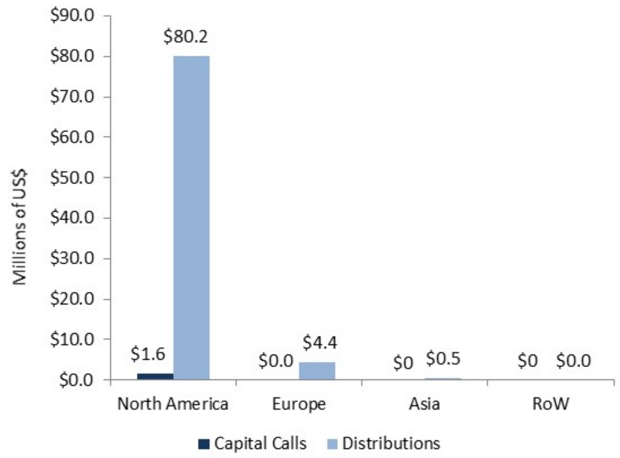
In Financial Year 2021 (as defined below), JPEL received net distributions of $83.6 million ($82.9 million on the Cash flow Statement, the difference is due to the netting off of distributions and calls), compared to $97.0 million in Financial Year 2020.[1]

Cash Flow Breakout

Cash Flows by Investment Strategy (12 months ending 30 June 2021)



Cash Flows by Geographic Region (12 months ending 30 June 2021)



JPEL received the majority of distributions from buyout, North America and European investments during Financial Year 2021.

[1] The above capital calls and distributions are shown above on a cash basis. Distributions from JPEL's investment in ROC Capital Trust are reflected on the date that JPEL received the distribution from ROC Capital Trust.

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Fund Strategy	Geographic Region	% of Private Equity Investments
1	Life Sciences Holdings SPV I Fund, L.P.	Venture Capital	Europe	3.75%
2	Beacon India Private Equity Fund	Buyout	Asia	2.62%
3	Liberty Partners II, L.P.	Buyout	North America	1.89%
4	Strategic Value Global Opportunities Fund I-A	Special Situations	North America	1.71%
5	Global Buyout Fund, L.P.	Buyout	Other	1.69%
6	Omega Fund IV, L.P.	Venture Capital	North America	1.54%
7	Blue River Capital I, LLC	Buyout	Asia	1.24%
8	Global Opportunistic Fund	Buyout	Other	1.19%
9	Omega Fund III, L.P.	Venture Capital	Europe	1.06%
10	Private Equity Access Fund II Ltd	Fund of Funds	North America	1.00%
11	Wellington Partners Ventures III Life Science Fund L.P.	Venture Capital	Europe	0.85%
12	Alcentra Euro Mezzanine No1 Fund L.P.	Special Situations	Europe	0.68%
13	Carlyle/Riverstone Global Energy and Power Fund III	Infrastructure	North America	0.37%
14	Black Diamond Capital Management	Special Situations	North America	0.36%
15	Private Opportunity Ventures, L.P.	Fund of Funds	North America	0.32%
16	Wellington Partners Ventures II GMBH & CO.KG (B)	Venture Capital	Europe	0.27%
17	Gridiron Capital Fund, L.P.	Buyout	North America	0.27%
18	Esprit Capital I Fund	Venture Capital	Europe	0.25%
19	Industry Ventures Fund V, L.P	Venture Capital	North America	0.10%
20	Industry Ventures Fund VI, L.P.	Venture Capital	North America	0.09%

Top 20 Companies[1,2]

	Company	Geographic Region	Industry Group	% of Private Equity Investment
1	Swania International SA (Milestone Investisseurs 2014 SLP)	Europe	Consumer Durables & Apparel	49.8%
2	Tax Advisory Services Company	North America	Diversified Financials	9.3%
3	Back Bay (Guernsey) Limited	North America	Real Estate	5.0%
4	Corsicana Bedding Inc.	North America	Household & Personal Products	4.4%
5	Paratek Pharmaceutical Inc (Life Sciences & Omega Funds)	North America	Pharmaceuticals, Biotechnology & Life Sciences	3.5%
6	Genuine Idea Investments Ltd	Asia	Real Estate	3.1%
7	HHH Ports America Holdings I, L.P.	North America	Capital Goods	2.6%
8	FibroGen (Life Sciences & Omega Funds)	North America	Pharmaceuticals, Biotechnology & Life Sciences	2.1%
9	Replimune, Ltd. (Omega Funds)	Europe	Pharmaceuticals, Biotechnology & Life Sciences	1.8%
10	Concorde Career Colleges, Inc (Liberty Partners II, L.P)	North America	Consumer Services	1.8%
11	Kloeckner Pentaplast (Strategic Value Global Fund I-A)	Europe	Materials	1.7%
12	National Stock Exchange (Beacon India Private Equity)	Asia	Diversified Financials	1.6%
13	Placid Holdings	Asia	Technology Hardware & Equipment	1.5%
14	SaaS Company	North America	Software & Services	1.5%
15	KMC Constructions Limited (Blue River Capital I)	Asia	Capital Goods	1.5%
16	Indostar Capital (Beacon India Private Equity)	Asia	Diversified Financials	1.0%
17	Diaverum (Alcentra Euro Mezzanine)	Europe	Health Care Equipment & Services	0.7%
18	The Lenox Group, Inc. (Trumpet Feeder Fund)	North America	Consumer Durables & Apparel	0.7%
19	Gulf Healthcare International LLC	Other	Health Care Equipment & Services	0.7%
20	Bicakcilar Group (Global Buyout Fund)	Other	Health Care Equipment & Services	0.6%

[1] Top 20 funds and top 20 companies include underlying funds and companies indirectly owned through the purchase of secondary interest in Private Equity Access Fund II Ltd, Bear Stearns Global Turnaround Fund, L.P., BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage), and ROC Private Capital Trust.

[2] Percentages are calculated based on 30 June 2021 market value of investments.

TOP 10 INVESTMENTS [1]

JPEL's ten largest investments are diversified across a broad range of managers and investment strategies. In total, these ten investments account for $127.8 million, or 84.1% of the total private equity investment value, at 30 June 2021.

1. Swania International S.A. (Milestone Investisseurs 2014 SLP)

Sponsor	Milestone Investisseurs
Geographic Focus	Europe
Investment Type	Direct Investment
Investment Strategy	Buyout
Date of Investment	December 2014
30 June 2021 Value	$75.7 million
% of PE Investment Value	49.8%

Swania is the spin-out of three leading household brands in France:
- Maison Verte: laundry and hand dishwashing brand with eco-friendly credentials
- O'Cedar: wood care brand with 60-year history
- Baranne: oldest shoe care brand with a 100-year history

Subsequent to fiscal year end, JPEL exited its position in Swania.

2. Tax Advisory Services

Sponsor	ABRY Partners
Geographic Focus	North America
Investment Type	Direct Investment
Investment Strategy	Buyout
Date of Investment	December 2013
30 June 2021 Value	$14.1 million
% of PE Investment Value	9.3%

Provider of complex tax consulting services to domestic companies to help them identify, calculate and claim various state, local and federal tax credits on their business tax returns.

3. Back Bay (Guernsey) Limited

Sponsor	StoneLeigh Capital
Geographic Focus	North America
Investment Type	Direct Investment
Investment Strategy	Real Estate
Date of Investment	December 2010
30 June 2021 Value	$7.6 million
% of PE Investment Value	5.0%

Back Bay Limited is a 54-unit townhome real estate development project in St. Petersburg, Florida that was purchased out of foreclosure in 2010. Currently, there are 18 townhomes left to be sold, of which 13 units are under contract.

4. Corsicana Bedding

Sponsor	Long Point Capital
Geographic Focus	North America
Investment Type	Direct Investment
Investment Strategy	Buyout
Date of Investment	October 2015
30 June 2021 Value	$6.6 million
% of PE Investment Value	4.4%

Leading, low cost manufacturer of generic and private label mattresses and foundations (box springs) in the U.S.

5. Life Sciences Holdings SPV I Fund, L.P.

Sponsor	Omega Funds
Geographic Focus	North America
Investment Type	Direct Investment
Investment Strategy	Secondary
Date of Investment	January 2009
30 June 2021 Value	$5.7 million
% of PE Investment Value	3.7%

Life Sciences Holding SPV I Funds, L.P. is a holding vehicle for an investment in a secondary portfolio of life science companies.

[1] Top 10 Investments include fund investments and direct investments by size at 30 June 2020. Also includes interests indirectly owned through the purchase of secondary interests.

Manager's Report continued

TOP 10 INVESTMENTS continued

6. Genuine Idea Investment Limited

Sponsor	Whale Capital	Real estate development project in Dongguan Guangdong, China.
Geographic Focus	Asia	
Investment Type	Co-Investment	
Investment Strategy	Real Estate	
Date of Investment	February 2010	
30 June 2021 Value	$4.7 million	
% of PE Investment Value	3.1%	

7. Beacon India Private Equity Fund

Sponsor	Beacon India	Beacon India Private Equity Fund is growth capital private equity fund.
Geographic Focus	Rest of World	
Investment Type	Secondary	
Investment Strategy	Buyout	
Date of Investment	January 2010	
30 June 2021 Value	$4.0 million	
% of PE Investment Value	2.6%	

8. HHH Ports America Holdings I, L.P.

Sponsor	Oaktree	Ports America is the largest U.S. terminal operator and stevedore, with operations in every major port in the U.S.
Geographic Focus	United States	
Investment Type	Funded Primary	
Investment Strategy	Buyout	
Date of Investment	May 2019	
30 June 2021 Value	$3.9 million	
% of PE Investment Value	2.6%	

9. Liberty Partners II, L.P.

Sponsor	Liberty Partners	Buyout fund focused on acquiring significant equity or equity equivalent stakes in portfolio companies .
Geographic Focus	United States	
Investment Type	Secondary	
Investment Strategy	Buyout	
Date of Investment	May 2008	
30 June 2021 Value	$2.9 million	
% of PE Investment Value	1.9%	

10. Strategic Value Global Opportunities Fund I-A

Sponsor	Strategic Value	Special situations fund focused on investing in a broad range of distressed and undervalued financial and other assets.
Geographic Focus	United States	
Investment Type	Secondary	
Investment Strategy	Special Situation Fund	
Date of Investment	November 2006	
30 June 2021 Value	$2.6 million	
% of PE Investment Value	1.7%	

FCF JPEL Management LLC
28 September 2021

Directors' Report

INTRODUCTION

The Directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2021 (the "Financial Year"). The financial summary is set out on page 1. A detailed review of activities is contained in the Manager's Report on pages 8 to 14.

DIVIDENDS

The Directors do not propose the payment of a dividend for the year ended 30 June 2021. The Company did not pay a dividend for the year ended 30 June 2021 (2020: Nil).

PRINCIPAL ACTIVITY

The Company is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008, authorised under The Authorised Closed-Ended Investment Schemes Rules, 2008 and is regulated by the Guernsey Financial Services Commission.

The Company's primary activity is that of an investment company investing in private equity funds, unquoted and public companies and subsidiaries.

GOING CONCERN

The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material uncertainties exist. The Directors have taken into consideration the Company's expected cash flows for a period exceeding twelve months from the date of approval of the financial statements and have considered outstanding commitments and on-going fees. Given the Company's investment policy, its current cash position, combined with the expected distributions over the same period, the Directors believe the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE

Principles Statement

The Directors are committed to high standards of corporate governance and have made it the Company's policy to comply with best practice in this area, insofar as the Directors believe it is relevant and appropriate to the Company, and in compliance with the 'UK Corporate Governance Code' (i.e. the April 2018 edition of the code of best practice published by the Financial Reporting Council (FRC), in respect of a financial year beginning on or after 1 January 2019). The complete UK Corporate Governance Code can be viewed on the Financial Reporting Council website at http://www.frc.org.uk.

The Company is a member of the Association of Investment Companies (the "AIC"). The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code") dated February 2019. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to JPEL.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to shareholders.

The Company has complied with the principles and provisions of the AIC Code (except for the deviation as explained below). The AIC Code is available on the AIC website (www.theaic.co.uk) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

A senior independent director ("SID") has not been appointed by JPEL as all administrative functions are outsourced to the Manager and the Administrator (as defined below) and JPEL has relied on the procedures put in place by these service providers to enable the correct channels of communication to exist. Although none of the Directors have a SID title, Directors are available to talk to shareholders if it is not appropriate to discuss issues with the chairman as: (i) JPEL is no longer actively making new investments; (ii) JPEL is returning capital to shareholders; (iii) the Directors perform an active role; and (iv) the Directors have filled their respective positions for a material length of time. All other provisions of the AIC Code have been complied with.

Directors' Report continued

CORPORATE GOVERNANCE continued

Role of the Board

The Board has determined that its role is to consider and determine the following principal matters which it considers are of strategic importance to the Company:

- Review the overall objectives for the Company as described in the Company's amended investment policy, the implementation of the Company's strategy initiatives and set the Company's strategy for fulfilling those objectives within an appropriate risk framework;
- Consider any shifts in strategy that it considers may be appropriate in light of market conditions;
- Appoint the Manager, Administrator and other appropriately skilled service providers and monitor their effectiveness through regular reports and meetings;
- Review key elements of the Company's performance including NAV, portfolio company realisations and payment of mandatory redemptions;
- Review the capital structure of the Company including consideration of an appropriate use of gearing for the Company;
- Review and maintain viability of the Company;
- Continue to review cost-cutting initiatives;
- Periodically meet with shareholders; and
- Evaluate its own performance and that of the individual Directors.

Board Decisions

The Board ensures that all the strategic matters listed under above are considered and resolved by the Board. While issues associated with implementing the Company's strategy are generally considered by the Board to be non-strategic in nature and are delegated either to the Manager or the Administrator, the Board considers that there are implementation matters that are significant enough to be of strategic importance to the Company and should be reserved to the Board.

Directors, Rotation of Directors and Directors Tenure

The Directors who served during the year are listed below:
Sean Hurst (Chairman, Independent Non-Executive) (appointed director 28 October 2016, appointed Chairman 8 November 2016, Reappointed 25 November 2020)
John Loudon (Independent Non-Executive) (appointed 28 April 2005, reappointed 25 November 2020)
Christopher Spencer (Independent Non-Executive) (appointed 28 April 2005, reappointed 25 November 2020)
Anthony Dalwood (Independent Non-Executive) (appointed 20 February 2015, reappointed 25 November 2020)

Mr. Sean Hurst was appointed as a non-executive independent director on 28 October 2016 and as independent chairman of the Board with effect from 8 November 2016. Previously Mr. Hurst was a co-founder, director and CIO of Albion Asset Management, a French regulated asset management company. Mr. Hurst is an experienced multi-jurisdictional director including roles at London/AIM-listed funds and numerous offshore and UCITS funds. In addition to advising companies on launching both offshore and onshore investment funds, Mr. Hurst is currently senior independent director at VietNam Holding Ltd and a non-executive director at the CIAM Fund and Satellite Event-Driven UCITS Fund.

Mr. John Loudon is a non-executive independent director of the Company. Mr Loudon has been chairman of Caneminster Ltd., a British investment company, since June 1988. Previously, Mr. Loudon was a Managing Director of N.M. Rothschild & Sons from 1970 to 1988 and the chairman of Warrier International Limited from 1988 to 1991. Mr. Loudon also served as a director of GEMS Oriental & General Fund II Limited, GEMS Oriental & General Fund III Limited, Exel Group plc, XL Capital Ltd and Derby Trust plc.

CORPORATE GOVERNANCE continued

Directors, Rotation of Directors and Directors Tenure continued

Mr. Christopher Spencer is a non-executive independent director of the Company and chairman of the Audit Committee (as defined below). He qualified as a chartered accountant in London in 1975. Following two years in Bermuda Mr. Spencer moved to Guernsey where he now holds residency. Mr. Spencer, who specialised in audit and fiduciary work, was managing partner/director of Pannell Kerr Forster (Guernsey) Limited from 1990 until his retirement in May 2000. Mr. Spencer is a member of the AIC Offshore Committee, a past president of the Guernsey Society of Chartered and Certified Accountants and a past chairman of the Guernsey Branch of the Institute of Directors. Mr. Spencer is also a member of the board of directors of a number of unlisted companies, details of which can be found in the latest prospectus of the Company which can be found at the investor section of the Company's website.

Mr. Anthony Dalwood is a non-executive independent director of the Company, with effect from 20 February 2015. Formerly, Mr. Dalwood was chairman of SVG Investment Managers and CEO of SVG Advisers, the global private equity funds business and manager of $5 billion in AUM. Mr. Dalwood established the public equities business for Schroder Ventures (London) Limited. Prior to this he was a Director at UBS Global Asset Management (formerly Phillips & Drew Fund Management) where he was a member of the UK Equity Investment Committee and responsible for managing over £1.5 billion of UK equities. He is currently CEO of Gresham House plc, and a board director of Branton Capital and formerly board director of London Pensions Fund Authority. Mr. Dalwood has an honours degree in Economics & Accounting from Bristol University, a degree in management studies from Cambridge University (Judge Institute) and is a member of the CFA Institute (UK).

The Directors hold no significant shareholdings in any investment in which the Company holds an interest.

Appointment and Rotation

The Directors have the power to appoint any person at any time to the Board in accordance with the Articles and taking into consideration Guernsey Company Law, the UK Code, and the AIC Code. Any new Board members must be re-elected at the next AGM following their appointment. The Board has adopted a policy whereby all Directors who are continuing their role will be proposed for re-election each year and so the relevant Directors will be proposed for re-election at the forthcoming AGM.

As discussed in the 26 November 2020 AGM results announcement, in accordance with the provisions of the 2019 AIC Code of Corporate Governance, the JPEL Board intends to reduce its size by the next AGM in 2021.

The Board has considered the question of a policy on Board (including chairman) tenure. It is strongly committed to striking the correct balance between the benefits of continuity and those that come from the introduction of new perspectives, diversity, to the Board. As provided for in the AIC guidelines and in order to phase future retirements and appointments the Board has not, at this stage, adopted any specific limits to terms, but expects to refresh the Board at appropriate intervals.

No Director has a service contract with the Company. The Company did not use open advertising to appoint the Directors of the Company and all appointments are subject to re-election.

The Board recognises the benefits of diversity amongst itself, and all of its service providers with regard to aspects such as, skillset, age, gender, culture or educational and professional backgrounds. The current composition of the Board includes members with a diverse set of skills including accounting, private equity, banking and corporate broking. The Board believes that the Company has adequate diversity among the service providers to the Company. When engaging any new providers the Board ensures that a diverse group of candidates is considered. There were no new providers engaged during the year.

Directors’ Report continued

CORPORATE GOVERNANCE continued

Board Meetings

The Board meets quarterly and as required from time to time to consider specific issues reserved to the Board. At the quarterly meetings the Board considers papers circulated seven days in advance including reports provided by the Manager and the Administrator. The Manager’s report comments on:

- The investment market including recommendations for any changes in strategy that the Manager considers may be appropriate;
- Performance of the Company’s portfolio and key asset management initiatives;
- Transactional activity undertaken over the previous quarter and being contemplated for the future; and
- The Company’s financial position including its relationship with its bankers and lenders.

The Administrator provides a compliance report at each quarterly meeting. These reports enable the Board to assess the success with which the Company’s investment strategy and other associated matters are being implemented and also to consider any relevant risks and how they should properly be managed.

Due to COVID-19 restrictions, all Board meetings during the 2021 fiscal year were held via Zoom. The table below shows the attendance at quarterly Board meetings during the year to June 2021:

Director Name	25-Sep-20	7-Oct-20	25-Nov-20	15-Dec-20	17-Mar-21	23-Jun-21
Sean Hurst	✓	✓	✓	✓	✓	✓
Christopher Spencer	✓	✓	✓	✓	✓	✓
John Loudon	✓	✗	✓	✗	✓	✓
Anthony Dalwood	✓	✗	✓	✗	✓	✓

In addition to quarterly meetings, the Board has also met on four other occasions during the year to approve various corporate actions which were attended by those Directors available at the time.

The directors recognise the importance of the AIC Code in terms of evaluating the performance of the Board as a whole, its Audit Committee and individual directors. During the year, the performance of the Board, the Audit Committee and individual directors were assessed in terms of:

- Attendance at Board and Audit Committee meetings;
- The independence of individual directors;
- The ability of individual directors to make an effective contribution to the Board and the Audit Committee, together with the diversity of skills and experience each director brings to meetings;
- The Board’s ability to effectively challenge the Manager’s recommendations, suggest areas of debate and fix timetables for debates on the future strategy of the Company; and
- The Board’s diversity in terms of gender, social and ethnic backgrounds and cognitive personal strengths and weaknesses.

The directors concluded that the performance evaluation process had proven successful, with the Board, the chairman, the Audit Committee and the individual directors performing well in all areas. The Board and Audit Committee continued to be effective, each director’s behaviour continued to be aligned to the Company’s purpose, values and strategy and the individual directors continues to demonstrate commitment to their respective roles and responsibilities. Although the Board did not procure an externally facilitated Board evaluation during the year under review, the directors will consider doing so at the appropriate time in the future. The Company maintains liability insurance for its directors and officers although the Company has no employees and none of its Directors are executive.

Directors’ Report continued

CORPORATE GOVERNANCE continued

Board Meetings continued

The chairman is responsible for leadership and ensuring the Board’s effectiveness in all aspects of its role. The Board discusses quarterly the training and development needs of the Directors, and assesses whether their balance of skills, experience, diversity, independence and knowledge are sufficient in fulfilling their duties. The chairman ensures that there is adequate time available for discussion of all agenda items and works with the Board and Manager to promote a culture of openness, support and co-operation.

The Board has access to accurate, timely and clear information about the Company in order to enable it to discharge its duties. The company secretary and the Administrator ensure that Board procedures are complied with and that there is good communication between the Board and the Manager. The Board has the right to access independent, professional advice at the Company’s expense when deemed necessary.

Directors’ Interests

Mr. Spencer owned 7,343 US$ Equity Shares; Mr. Hurst owned 6,086 US$ Equity Shares and Mr. Dalwood owned 31,191 US$ Equity Shares at 30 June 2021. Since 30 June 2021, the Company conducted its ninth redemption on 12 August 2021, after which Mr. Spencer, Mr. Hurst and Mr. Dalwood hold approximately 2,953, 3,563 and 15,133 US$ Equity Shares, respectively.

Audit Committee

Due to the size of the Company and limited number of Directors, all Directors (including the chairman who was independent on appointment) are members of the audit committee (the “Audit Committee”) and served on the committee throughout the year. The members have relevant and recent commercial and financial knowledge, and experience to satisfy the provisions of the AIC Code by virtue of their holding, or having held, various executive and non-executive roles in other financial and asset management organisations. The Board is satisfied that the Audit Committee as a whole has competence relevant to the private equity sector, in which the Company operates.

The Audit Committee operates within clearly defined terms of reference in order to assist the Board in discharging its duties and responsibilities for financial reporting, internal control and the appointment and remuneration of an independent external auditor. The terms of reference are available from the Administrator upon request. In summary, the Audit Committee’s main functions are:

- To make recommendations on the appointment of the Company’s external auditors, the scope of the audit, the audit fee, and the tenure of the external auditors and tendering process;
- As the day-to-day management and administrative functions are outsourced to third parties there is no requirement for an internal audit function. Consequently the Audit Committee reviews and monitors reports on the internal control systems and risk management systems of the third parties on which the Company is reliant;
- To review the annual report and financial statements in order to assess whether they represent a fair, balanced, and understandable view of the Company’s position and to provide the information necessary for shareholders to assess the company’s performance, business model, and strategy;
- To act upon any significant financial reporting issues and judgements that are made in connection with the preparation of the Company’s financial statements;
- To meet with the external auditor and assess the effectiveness of the entire audit process, and to review the findings of the external auditor, as well as looking at the proposed audit programme;
- To monitor the integrity of the semi, and annual financial statements in order to review the actions and judgements of the Manager, challenging decisions if necessary;
- To continually monitor the independence, objectivity, effectiveness, qualification, and resources of the external auditor; and
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting on any improvement or action required.

CORPORATE GOVERNANCE continued

Report on the Audit Committee's activities during the year

During the year, the Audit Committee discharged its responsibilities under its terms of reference by: (i) monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance; and (ii) reviewing, and challenging where necessary, the actions and judgements of the Manager and any other relevant entities.

Before submission of the financial statements, the Audit Committee paid particular attention to:

- The draft 2021 financial statements and the external auditor's reports, both oral and written thereon;
- Confirmations of the external auditor independence and the terms of engagement and proposed audit fees for the 2021 audit. Recommending the re-appointment of the external auditor for 2021/2022 and considering future audit tender requirements;
- Critical accounting policies and practices and any changes in them, as they relate to the results of the Company;
- Decisions requiring a major element of judgement including the impact of adopting any acceptable alternative accounting treatment;
- The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- Reviewing and understanding the Company's risk management framework;
- The clarity of disclosures;
- The going concern assumption;
- Compliance with Accounting Standards; and
- Compliance with Financial Conduct Authority and other legal, regulatory or listing requirements.

The Audit Committee has reviewed the contents of this year's annual report and financial statements and advised the Board that, in its view, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

During its review of the Company's financial statements for the year ended 30 June 2021, the Audit Committee considered and addressed the following significant issues:

Valuation of investments

The Company has interests in various different types of investments including: investments in subsidiaries, direct investments in unquoted funds and direct investments in unquoted companies.

Investments in subsidiaries and investments in unquoted funds are valued at the NAV as reported by the sponsor and adjusted by the Manager when considered appropriate in order to better reflect fair value. Adjustments applied by the Manager may include adjustments for cash flows or other events or circumstances occurring between the date of the reported NAV and the year end, in order to derive the year end fair value. This includes the adjustment made by the Manager to the March reported values in order to account for the publicly traded positions held via unquoted funds in order to reflect all indirect public positions at the year quoted price. In addition, the Manager has applied a 10% liquidity discount to these public positions held via funds, which includes adjustments made to Omega Fund III L.P., Omega Fund IV L.P. and Life Sciences Holdings SPV I Fund L.P.

Direct investments in unquoted companies are generally valued at fair value as reported by the respective management or sponsor. The provided valuations are reviewed by the Manager and assessed for reasonableness and reliability then adjusted where necessary. The Board and the Manager considered all third party reported valuations on the unquoted company investments to be reflective of fair value at year end aside for one investment, Genuine Idea Investment Limited, which the Board and the Manager have discounted.

Direct investments in unquoted companies where no fair value is being provided to the Company by the underlying/ respective management or sponsor are carried at fair value, as estimated by the Directors and Manager. The Directors and the Manager may seek to appoint an expert to provide support over fair value. The Directors and the Manager estimated the value of one investment in the portfolio, Accurate Results Limited, which resulted in a nil value and therefore did not appoint any such expert.

The Audit Committee concluded that the Manager has the appropriate control processes in place in respect of valuation of investments, and that they are reviewed on a regular basis to sufficiently ensure that valuations are reflected at fair value.

Directors' Report continued

CORPORATE GOVERNANCE continued

Remuneration Committee

The Board as a whole fulfils the function of a remuneration committee in relation to the setting and periodic review of the fees of the Directors and the chairman, taking into account, amongst other factors, prevailing market conditions and the need to attract to the Board, and retain thereafter, suitable persons. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate remuneration committee. Directors' remunerations reflect their duties, responsibilities and the value of their time spent.

Mr. Hurst is entitled to receive directors fees of £40,000 per annum, Mr. Loudon, Mr. Spencer and Mr. Dalwood are each entitled to receive directors fees of £30,000 per annum. The cap on total directors remuneration was unchanged at £250,000 as at 30 June 2021.

During the year no further payments were made to an individual Director for additional services provided.

Nomination Committee

The Board as a whole fulfils the function of a nomination committee. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate nomination committee.

Management Engagement Committee

The Board as a whole fulfils the function of a management engagement committee. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate management engagement committee.

The Directors believe that the Manager, a subsidiary of Fortress Investment Group LLC, has performed consistently since being appointed as the manager of the Company. As such, it is the view of the independent Directors that it is in the best interests of the shareholders to continue with the current appointment of the Manager under the terms agreed.

Internal Controls

The Directors have reviewed the effectiveness of the Company's system of internal financial and operating controls during the fiscal year and found they were operating as expected. The Company's system of internal control is substantially reliant on the Manager's and the Administrator's internal controls and their internal audit given all administrative functions are outsourced.

The Board monitors and considers risk management and internal financial and operating controls on a regular basis during the year although such a system can only provide reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate risk of failure.

The Board's monitoring covers all controls including financial, operational and risk management. The monitoring is based principally on reviewing reports from the Manager in order to consider whether all significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. A risk matrix is maintained to identify the significant risks faced by the Company together with the controls intended to manage them, the matrix is reviewed at each scheduled Board meeting. The Audit Committee assists the Board in discharging its review responsibilities.

The key elements designed to provide effective internal financial and operating controls are as follows:

- Financial reporting – A regular review of relevant financial data including NAV calculations and performance projections;
- Management and Administration Agreements – Contractual documentation with appropriately regulated entities which clearly describes responsibilities for the two principal service providers;
- Management Systems – The Manager's system of internal controls is based on a formal investment committee and clear lines of responsibility and reporting;
- Administrator's Systems – IQ-EQ is part of the largest independent private equity and real estate administrator in the world. IQ-EQ's systems of internal controls are based on formalised processes tailored specifically to JPEL. In addition, every transaction and report is reviewed by at least two qualified accountants before release; and
- Administrator's Technology – IQ-EQ uses SunGard Investran as its core accounting system and benefits from structured change control processes and clear audit trail functionality. Investran as a system is recognised as a leading accounting technology for private equity.

Directors' Report continued

CORPORATE GOVERNANCE continued

Internal Controls continued

Administration and company secretarial services have been provided by IQ-EQ since 13 August 2012. Consideration was given to the internal controls of the Administrator prior to appointment and will be assessed on an ongoing basis. During the year, an SSAE18 Type II report was completed over internal controls at IQ-EQ for the period ended 30 September 2020. At each quarterly board meeting, the Directors review the operational controls of IQ-EQ. In addition, as part of the audit process, the Directors request and receive a bridging letter from IQ-EQ reaffirming their operational controls. It is the view of the Directors that it is in the best interest of shareholder's to continue with the current appointment of the Administrator as all of their duties and responsibilities have been carried out successfully since their appointment.

Section 172

As a member of the AIC, the Company is obliged to report against section 172 of the UK Companies Act 2006, which imposes a general duty on the Company's Directors to act in the way they consider, in good faith, to promote the success of the Company for the benefit of its shareholders. The Directors take into consideration the impact the Company has on the community and the interests of its stakeholders and maintains a high standards of business conduct. The Board provides appropriate training to all Directors, where appropriate, which includes training on their duties, including those under section 172. The chairman reviews the training and development needs of each Director during the annual board evaluation process to evaluate if additional training is needed.

The Company is committed to maintaining good communications and building positive relationships with all stakeholders, including shareholders, service providers, debt providers, analysts, potential investors, and the wider communities in which the Company makes its investments. This includes regular engagement with the Company's stakeholders by the Board, the Manager and the Administrator. Discussions with shareholders continue to be focused on the orderly realisation of the Company's portfolio and the resulting Mandatory Redemptions at prevailing NAV.

Decision Making

A Guernsey domiciled investment company listed on the London Stock Exchange is required to have a decision making strategy that takes into account the interests of, and how the actions and behaviours of a company affect all of, its stakeholders as well as the community, the environment, and the Company's reputation.

To accomplish the above, the Board places a large emphasis on the flow of information from the Manager to the Board. To facilitate the flow of information, the Board conducts a minimum of four Board meetings per year in which the Manager is required to participate and as many ad hoc meetings as needed. The Manager provides the Board with key information regarding the underlying investments and ideas for new initiatives that will help drive shareholder value. The Board also has access to the advice and services of the company secretary and Administrator. It is recognised that much of the decision making, particularly with respect to the Company's underlying investments, is granted to the Manager pursuant to the investment management agreement between the Company and the Manager. The Manager has the best interests of the Company and all of its stakeholders when making decisions relating to the Company.

Culture

The Board and the Manager have a strong culture of communication and trust which has been firmly ingrained since the inception of the Company. This culture is also an integral part of how the Manager operates, which enhances the relationship that the Board has with the Manager. The Board continues to monitor the Company's culture on an ongoing basis via feedback from shareholders, the Manager, and input from other advisers.

Community and Environment

The Board recognises that it has obligations to its shareholders and the broader society (collectively "the Stakeholders") to identify the impact, if any, that the Company's investments may have on the community and environment. To fulfill this obligation, the Board relies on the Manager to ensure that the unrealised companies are acting in the best interest of the Stakeholders. The Manager has an active dialogue with the sponsors of its largest investment positions and receives regular updates from them on the effects the Company's investments may have on the community and environment. As a result of these updates, coupled with the fact that the Company is no longer making new investments and the large majority of the Company's investments have been realised, the Board and the Manager are confident that the Company's holdings have little or no negative impact on the community and environment.

Directors' Report continued

CORPORATE GOVERNANCE continued

Section 172 continued

Shareholders

The Company welcomes the views of shareholders and places great importance on communication with all shareholders. As such, the Board and the Manager are available to meet with shareholders. Also, shareholders have the ability to ask questions to the Company at its registered address. The AGM of the Company also provides a forum for shareholders to meet and discuss issues with the Directors and Manager.

The Board receives shareholder reports at all quarterly Board meetings and regularly monitors the views of shareholders and the shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Manager.

Relations with Other Stakeholders

The Company releases monthly NAV updates. In addition, the Company's monthly factsheets and, interim and annual financial statements provide shareholders and other stakeholders with more detail on the portfolio as well as an update on the performance of the Company. The Company maintains a website (www.jpelonline.com) which contains comprehensive information on the Company.

The Company recognises that relationships with suppliers are enhanced by prompt payment of their invoices. The Manager and Administrator ensure all payments are processed as timely as possible. The Company, via the Manager, has long-term important relationships with its underlying investment portfolio. Representatives of the Manager communicate with private equity sponsors on a regular basis regarding the underlying investments and investment performance.

Principal Risks

The Company, the Company's investments and the underlying portfolio companies are materially affected by a variety of risks and uncertainties in the global financial markets and economic conditions throughout the world, including those which would threaten its business model, future performance, solvency or liquidity. These principal risks include, but are not limited to, financial risks, operational risks, valuation risk and reliance on the Manager. Some of these risks are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received and the liquidity and value of investments in the portfolio.

Financial risks

The Board and the Manager consider principal financial risks to comprise market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. Please refer to note 3 of the audited financial statements for a more detailed discussion of the principal financial risks and uncertainties, and how they are managed or mitigated.

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology, and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation, whilst achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Contingency plans;

CORPORATE GOVERNANCE continued

Principal Risks continued

Operational risks continued

- Ethical and business standards; and
- Risk mitigation, including insurance where this is effective.

Valuation risk

Valuations of the private equity investments incorporated in the Company's reported NAV are made, in part, on valuation information provided by the managers or sponsors of investments in the Company's portfolio. Due to other factors, the Manager may conclude that the fair value provided by the underlying managers or sponsors does not represent actual fair value. To mitigate this risk, the majority of the underlying investments are required to undergo an annual audit or third party valuation exercise. In addition, the Manager may adjust the value of the investment from the underlying managers and sponsors, in instances where the valuations are not considered representative of fair value.

Reliance on Manager

Quality and execution of management is key to a successful business development. The Company will be relying on the Manager and its ability to evaluate investment opportunities, if any, and to further develop the Company's realisation of investments. The Manager exercises a central role in the investment decision process. Accordingly, the returns of the Company will primarily depend on the performance and abilities of the Manager. To mitigate this risk, the Board holds quarterly meetings, in which the Manager is required to provide a portfolio update including a review of performance, investment realisation, portfolio diversification as well as a detailed report on its largest underlying investments.

Applying the framework described above, the Board is able to confirm that they have carried out a robust assessment of the principal risks facing the Company, including those which would threaten its business model, future performance, solvency or liquidity.

Emerging Risks

The Board relies on the Manager to ensure that all emerging risks are monitored and controlled in accordance with agreed procedures. The Manager has had and continues to have an active dialogue with the sponsors of its largest unrealised investments to determine the impact COVID-19 and climate may have on portfolio company operations. To date, COVID-19 has not had a material negative impact on the portfolio as evidenced by NAV improvement since the onset of the COVID-19 pandemic nor is there any identified specific impact of climate risk on the remaining portfolio. Both risks will continued to be monitored by the Manager.

Manager

The Manager's key responsibilities include proposing an investment strategy to the Board, selecting investments for acquisition and disposal and arranging appropriate lending facilities. The Manager is also responsible for all issues pertaining to asset management. The Directors agree policies with the Manager covering key operational issues.

The Board reviews the performance of the Manager, including evaluation of performance and fees on an annual basis. The Board is satisfied that the continuing appointment of the Manager is in the interest of the shareholders as a whole. The investment skills, performance, experience, and commitment are the key factors taken into account in reaching this decision.

Alternative Investment Fund Managers Directive ("AIFMD")

The Board and the Manager have determined that the Company is out of scope from the full directive for the following reasons:

- The Company is a Non-EU Alternative Investment Fund (as defined in the AIFM) as it is an investment company incorporated and registered in Guernsey;
- The Company's investment decisions are made by a Non-EU Alternative Investment Fund Manager (as defined in AIFM), FCF JPEL Management LLC; and
- The Company is not currently marketing in the EU.

CORPORATE GOVERNANCE continued

Non Mainstream Pooled Investments

On 1 January 2014 the UK Financial Conduct Authority implemented new rules regarding the retail distribution of unregulated collective investment schemes, namely, the Non-Mainstream Pooled Investment rules (“NMPI rules”).

The Board confirms that the shares of the Company qualify as “excluded securities” under the NMPI rules. Therefore shares issued by the Company can be recommended by independent financial advisors and other authorised firms as an investment for retail investors in accordance with the NMPI rules.

International Tax Reporting

For the purposes of the US Foreign Account Tax Compliance Act (“FATCA”), the Company registered with the US Internal Revenue Service as a Guernsey reporting Foreign Financial Institution and received a Global Intermediary Identification Number (“GIIN”) X7WT1B.00000.LE.831.

The Common Reporting Standard (“CRS”) is a standard developed by the Organisation for Economic Co-operation and Development (“OECD”) and is a global approach to the automatic exchange of tax information.

The Company is subject to Guernsey regulations and guidance based on the reciprocal information sharing Inter-Governmental Agreements (“IGAs”) which Guernsey has entered into with the UK and the US, and the various multilateral or bilateral agreements with other countries which support the CRS. The new CRS regulations superseded the obligations under the UK IGA in respect of reportable UK investors. The Board has taken the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Secretary

IQ-EQ held the office of Company Secretary through to 30 June 2021. The registered office of the Company is Ground Floor, Cambridge House, Le Truchot, St Peter Port, Guernsey, GY1 1WD.

Independent Auditor

PricewaterhouseCoopers CI LLP was re-appointed as independent external auditor during the year. The Board has reviewed the effectiveness of the external auditor and considers them to be independent; and the Board is confident they take the necessary steps in order to ensure their continued independence and objectivity. The Board feels the external audit work is done to an excellent standard, in a timely manner, and any issues are communicated in a clear and concise way in order to gain a prompt result. A resolution to reappoint PricewaterhouseCoopers CI LLP as independent external auditor to the Company will be proposed at the forthcoming AGM. PricewaterhouseCoopers CI LLP has been the appointed auditor since 2012, when the last audit tender was conducted. Rotation of the audit engagement leader and other staff in senior positions is reviewed on a regular basis by the audit engagement leader. The Audit Committee is responsible for the scrutiny of all non-audit services.

Shareholder Relations

Shareholder communications are a high priority for the Board. The Manager produces a monthly fact sheet which is distributed to shareholders and released to the London Stock Exchange. Members of the Manager’s Investment Committee make themselves available at all reasonable times to meet with principal shareholders and key sector analysts. Feedback from these sessions is provided by the Manager at the quarterly Board meetings.

In addition, the Board is also kept fully apprised of all market commentary on the Company by the Manager and other professional advisers including the Company’s brokers. Through this process the Board seeks to monitor the views of shareholders and to ensure that the Company’s communication program is effective.

The chairman and the Manager will be available during each AGM to answer any questions that attending shareholders may have.

Directors' Report continued

CORPORATE GOVERNANCE continued

Substantial Interests

Disclosure Guidance and Transparency Rules are comprised in the Financial Conduct Authority Handbook. Such rules require substantial shareholders to make relevant holding notifications to the Company and the UK Financial Conduct Authority. The Company must then disseminate this information to the wider market.

As at 30 June 2021, one shareholder had more than 10% ownership in the total number of US$ Equity Shares in issue. As at 30 June 2020, three shareholders that held more than 10% ownership in the total number of US$ Equity Shares in issue.

As at 30 June 2021		
Shareholder	Shares	Ownership
Asset Value Investors Limited	15,164,647	18.38%

As at 30 June 2020		
Shareholder	Shares	Ownership
Asset Value Investors Limited	23,725,566	18.38%
Barwon Investment Partners Pty Ltd	17,801,866	13.79%
Baring Asset Management Ltd	13,590,638	10.53%

Viability Statement

In accordance with the UK Code and the AIC Code, the Directors have assessed the prospects of the Company by considering the Company's amended investment policy as discussed earlier in this annual report, the Company's principal risks discussed on pages 23 and 24, as well as the Company's cash balances and liabilities. In making this assessment, the Directors have considered detailed information provided by the Administrator and Manager at Board meetings which include the Company's statement of financial position and projected cash flows. Projected cash flows include, but are not limited to, the projected realisations from the Company's investment portfolio, based on a full-run off of the portfolio, projected capital calls from the Company's unfunded capital commitments, and projected expenses over the expected term of exit. As discussed in note 12 of the Report, at 30 June 2021, JPEL had $23.1 million in unfunded commitments to private equity funds. However, based on the vast majority of the Company's investment portfolio being made up of older vintage year funds that are outside of their respective investment periods as well as the Manager's conversations with various underlying investment sponsors, the Directors and the Manager are confident that unfunded commitments will not be called.

The Board believes, based on its conversations with the Manager as well as the Manager's conversations with the underlying sponsors as it relates to portfolio company realisations, that a period of three years is appropriate. In making this assessment, the Board have assumed that the threats to the Company's solvency and liquidity incorporated in the principal risks will be managed or mitigated as outlined under the principal risks section. Based on the above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of this assessment irrespective of the timing of investment realisations and wind down events. This assessment has been made based on the assumption that the Company continues with an ordinary wind down, should appropriate conditions exist the Board may recommend the winding-up of the Company sooner than three years.

Directors' Report continued

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, annual report and financial statements in accordance with the applicable laws and regulations.

Guernsey company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (the "IFRS") and applicable Guernsey law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which 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. The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information on the Company's website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Directors also confirm that to the best of our knowledge, in accordance with Disclosure Guidance and Transparency Rules 4.1.12:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and
- The Chairman's Statement, Corporate Actions, Manager's Report and Directors' Report (together referred to as the "Management Report") include a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties that it faces.

In the opinion of the Board, the financial statements taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

On behalf of the Board

Sean Hurst
Director
28 September 2021

Christopher Spencer
Director

Independent auditor's report to the members of JPEL Private Equity Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JPEL Private Equity Limited (the "company") as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The company's financial statements comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the company, as required by the Crown Dependencies' Audit Rules and Guidance, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are also independent in accordance with SEC Independence Rules.

Our audit approach

Overview

Audit scope

- The company is incorporated and based in Guernsey;
- The company has a number of unconsolidated subsidiaries that serve as holding vehicles. The underlying investment portfolio is held either directly by the company or through these holding vehicles;
- Consolidated financial statements are not prepared as the company is an Investment Entity as defined under IFRS 10 'Consolidated Financial Statements' and therefore the company presents financial statements on a standalone basis; and
- We conducted our audit of the financial statements based on information provided by IQ EQ Fund Services (Guernsey) Limited (the "Administrator") and FCF JPEL Management LLC (the "Manager"), each of whom the directors have delegated the provision of certain functions.

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

Key audit matters

- Valuation of the investment portfolio
- Consideration of the potential impact of COVID-19 on the company

Materiality

- Overall materiality: $3.3 million (2020: $4.7 million) based on 2% of net assets.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of the investment portfolio The investment portfolio, valued at $153 million at year end as shown in the statement of financial position and in notes 12 and 22 to the financial statements, is measured at fair value through profit or loss. It is a diverse portfolio of investments held directly and through unconsolidated subsidiaries in unquoted funds and unquoted companies. The investment portfolio represents the most significant balance on the statement of financial position and is the principal driver of the company's net asset value ("NAV"). Given the nature of the investments, market data is not always readily available to corroborate the valuations provided by the Manager and supported by the underlying investee managers / general	• We assessed the investment valuation accounting policy for compliance with International Financial Reporting Standards and best practice and we ensured that the investment valuations are measured in accordance with the stated policy. • We have understood the Manager and the Administrator's processes, internal controls and methodology applied in assessing the fair value of the investment portfolio. We discussed with the Manager the valuation basis and investment performance during the year and considered this activity when tailoring our approach to testing valuations accordingly. The investments, both fund investments and direct investments, are primarily valued by a third party (whether that be the underlying investee manager / general partner in the case of a fund investment, or by a sponsor in the case of direct company investment) and the valuations are adjusted by the Manager when considered appropriate. • We applied audit methodology to select an appropriate sample of investments (based on industry sector, materiality and complexity of the valuations), and for the selected sample, we independently obtained and confirmed the investment

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

partners / sponsors or administrators, therefore the valuation of the investment portfolio may be subject to judgement, estimates and complexity, some of which may materially affect the NAV. For these reasons, the valuation of the investment portfolio has been a key focus of our audit work and is considered a key audit matter.	valuations to the latest available capital account statements, sponsor reports or other form of valuation support received directly from the underlying investee managers, general partners, sponsors or administrators. • For those investment valuations included in our sample, that are subject to higher levels of estimates or judgements, we assessed the reasonableness of the valuation methodology and any assumptions made, understood and corroborated key inputs and rationale as applicable, and assessed the reliability of the information used in the valuations. We note that despite the higher levels of complexity implicit in certain valuations, there are limited judgemental adjustments made by the Manager to the reported valuations provided by the underlying investee managers, general partners, sponsors or administrators. For those valuations that are subject to adjustments by the Manager we have sought supporting rationale for these adjustments and performed stress analysis to further evaluate the impact of reasonable alternate assumptions. • We considered the quality of information obtained through our confirmation process, as well as the date of the latest available information used to support these valuations at year end. This included a review of the latest audited financial statements of the underlying investment companies or funds and an assessment of the appropriateness of the confirming parties supplying us with the requested valuation support. Furthermore, we have considered the competence, capabilities and objectivity of any third-party valuation firms engaged by the confirming parties to assist with the valuations. • We highlight that in accordance with the investment valuation accounting policy, the Manager estimates fair value using the most recent financial information available at the year end. Therefore, the valuation of the portfolio at year end comprises both valuations reported as of 30 June 2021 and estimated valuations for 30 June 2021 based on the latest available information, adjusted for any known movements by the Manager. In order to assess the accuracy of the estimated 30 June valuations, we have understood the investment monitoring controls and the processes in place to enable the Manager to reliably estimate the year end fair value and we further note that the Manager has obtained third party reported valuations as at the year end, 30 June 2021, for the majority of the investments held. Furthermore, we have quantified and evaluated the impact on the valuation of the portfolio as more recent financial information has become available from the underlying confirming parties during the audit process and we have not identified any significant movements. We did not identify any material differences or significant issues required to be reported to those charged with governance from our testing.

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

Consideration of the potential impact of COVID-19 on the company	
The directors and the Manager have considered the impact of the continuing events that have been caused by the COVID-19 pandemic on the current and future operations and financial results of the company, as disclosed in the Corporate Governance statement within the Directors' Report ('emerging risks' section) and the Chairman's Statement. As a result of the impact of COVID-19 on the wider financial markets and the continued levels of uncertainty, we have determined the directors and Manager's consideration of the potential impact of COVID-19 to be a key audit matter.	In assessing the Manager's consideration of the impact of COVID-19, we have undertaken the following audit procedures: • We have discussed with the Manager their latest assessment of the impact of COVID-19 on the company that supports the directors' assessment and conclusions with respect to the statements of going concern and viability respectively. • We discussed with the Manager and the directors the critical estimates and judgements applied in their latest assessments so we could understand and challenge the rationale underlying factors incorporated and the sensitivities applied as a result of COVID-19. • We challenged the Manager on the appropriateness of the key assumptions and considered their reasonableness in the context of other supporting evidence gained from our audit work. • We applied a risk-based approach in our sample selection which included consideration of any investments operating in locations and industries which we believe could be subject to greater impact by COVID-19. Further, we have considered the level of scrutiny shown by the Manager in evaluating the reported NAVs / valuations provided by the relevant underlying investee managers, general partners, sponsors or administrators. • We have assessed the liquidity assessment and cash flow forecast prepared by the Manager for accuracy and completeness, discussed and understood key assumptions the Manager has applied in forecasting the cash flows (particularly around the timing of investment realisations) and have considered various stressed scenarios. In discussing, challenging and evaluating the estimates and judgments made by the Manager and the directors, we noted the following factors to be fundamental in their consideration of the impact of COVID-19 on the current and future operations of the company and which support the statements of going concern and viability respectively: o The Manager and the directors have confirmed that the company currently has no notices of debt default within its investment portfolio; o The company is not levered and we understand that there are currently no plans to utilise the credit facility available to the company; o As discussed in the Chairman's Statement, the Manager and the directors consider that the investment portfolio has experienced minimal negative impact from COVID-19 which is supported by our audit work over the valuation of the investment portfolio;

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

	o We have assessed the reasonableness of the Manager's evaluation of the unfunded commitments, as disclosed within note 12. Based on the majority of the company's investment portfolio being comprised of funds that are outside their respective investment periods, the directors and Manager have assessed the likelihood of these commitments being called as low; and o The directors have analysed and are satisfied with the ongoing business continuity plans of all key service providers. • We considered the appropriateness of the disclosures made by the Manager and the directors in respect of this assessment including the current and potential impact of COVID-19. Based on our procedures and the information available at the time of the directors' approval of the financial statements, we have not identified any matters to report with respect to both the Manager's and the directors' consideration of the impact of COVID-19 on the current and future operations of the company.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$3.3 million (2020: \$4.7 million)
How we determined it	2% of net assets (2020: 2.25% of net assets)
Rationale for benchmark applied	We believe that net assets is the most appropriate benchmark because this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$2.475 million for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $165,000 (2020: $233,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual Report and Financial Statements (the "Annual Report") but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of the directors' responsibilities, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

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;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the

Independent auditor's report to the members of JPEL Private Equity Limited (continued)

corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

RAH Burne

Ross Alexander Houlihan Burne
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
29 September 2021

Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Income			
Interest and distribution income	4	1,031	2,584
Net changes in fair value of financial assets and financial liabilities through profit or loss	7	43,514	(8,814)
Realised (losses)/gains on derivative financial instruments	3	(3,976)	2,015
Total net income/(loss)		**40,569**	**(4,215)**
Expenses			
Investment management fees	17	(1,764)	(2,632)
Performance fees	17	(1,714)	-
Accounting and administration fees	17	(738)	(769)
Audit fees		(149)	(175)
Directors' fees	19	(176)	(164)
Other expenses	6	(915)	(882)
Total expenses		**(5,456)**	**(4,622)**
Profit/(loss) before finance costs		**35,113**	**(8,837)**
Finance costs			
Credit facility costs	5	(147)	(294)
Net foreign exchange gains/(losses)	9	75	(23)
Profit/(loss) before tax		**35,041**	**(9,154)**
Withholding taxes	1	(313)	(1,003)
Net profit/(loss) for the year		**34,728**	**(10,157)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**34,728**	**(10,157)**
Earnings per share			
Earnings/(losses) per US$ Equity Share	18	$0.33	$(0.06)

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 40 to 64 form an integral part of these financial statements.

Statement of Financial Position
as at 30 June 2021

	Notes	2021 $'000	2020 $'000
Non-current assets			
Financial assets at fair value through profit or loss			
- Investment portfolio	12, 22	152,998	193,484
Current assets			
Cash and cash equivalents		15,011	15,259
Receivables	10	354	81
Financial assets at fair value through profit or loss			
- Derivative financial assets	14	1,365	-
		16,730	15,340
Current liabilities			
Payables and accruals	11	(2,572)	(956)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	14	-	(440)
Net current assets		14,158	13,944
Net Assets		167,156	207,428
Represented by:			
Share capital	16	110,660	173,131
Accumulated gain		56,496	34,297
Total equity		167,156	207,428
Number of US$ Equity Shares in issue	16	82,517,769	129,101,529
NAV per US$ Equity Share		$2.03	$1.61

The financial statements on pages 36 to 64 are approved by the Board on 28 September 2021 and were signed on its behalf by:

Sean Hurst
Director

Christopher Spencer
Director

The accompanying notes on pages 40 to 64 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2021

	Notes	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2020		173,131	34,297	207,428
Profit for the year		-	34,728	34,728
Total comprehensive income for the year		**-**	**34,728**	**34,728**
Share redemption	16	(62,471)	(12,529)	(75,000)
Total transactions with owners of Share capital for the year		**(62,471)**	**(12,529)**	**(75,000)**
At 30 June 2021		**110,660**	**56,496**	**167,156**

	Notes	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2019		254,372	68,212	322,584
Loss for the year		-	(10,157)	(10,157)
Total comprehensive loss for the year		-	**(10,157)**	**(10,157)**
Share redemption	16	(81,241)	(23,758)	(104,999)
Total transactions with owners of Share capital for the year		**(81,241)**	(23,758)	**(104,999)**
At 30 June 2020		**173,131**	**34,297**	**207,428**

The accompanying notes on pages 40 to 64 form an integral part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Operating activities			
Profit/(loss) for the year		34,728	(10,157)
Adjustments for:			
Interest income	4	(3)	(337)
Net unrealised gains on derivative financial instruments	7	(1,805)	(182)
Net (gains)/losses on investment portfolio	7, 12	(41,709)	8,996
Net foreign exchange (gains)/losses		(80)	36
Purchase of investments and funding of capital calls	12	(2,711)	2,697
Proceeds from disposal of investments and distribution receipts		84,616	93,053
Interest received		3	337
Operating cash flows before changes in working capital		**73,039**	**94,443**
Increase in payables and accruals	11	1,633	110
Cash from operations		**74,672**	**94,553**
Financing activities			
Equity share redemption	8, 16	(75,000)	(104,999)
Cash used in financing activities		(75,000)	(104,999)
Net (decrease) in cash and cash equivalents		(328)	(10,446)
Cash and cash equivalents at beginning of year		15,259	25,741
Effects of exchange difference arising from cash and cash equivalents	9	80	(36)
Cash and cash equivalents at end of the year		15,011	15,259

The accompanying notes on pages 40 to 64 form an integral part of these financial statements.

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

JPEL Private Equity Limited ("JPEL" or the "Company") is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 30 June 2021, the Company's capital structure consisted of one class of US$ Equity Shares which are listed on the Premium Segment of the Main Market of the London Stock Exchange.

The primary objective of the Company is to effect an orderly realisation of the investments and other assets comprised in the Company's portfolio and seek to realise such investments and assets in order to maximise returns to US$ Equity Shareholders.

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards **("IFRS")** issued and adopted by the International Accounting Standards Board (the "IASB") and interpretations issued by the International Financial Reporting Interpretations Committee. They give a true and fair view and are in compliance with applicable legal and regulatory requirements of The Companies (Guernsey) Law, 2008 and the Listing Rules of the UK Listing Authority.

Standards and amendments to existing standards effective for the Company's annual period beginning on 1 July 2020 that are relevant and have been adopted by the Company

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify and align the definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting. The amendments clarify when information is material and provide some guidance in IAS 1 about immaterial information.

The amendments address the following:

- 'Obscuring' was added to the definition of materiality and clarifies that obscuring information has a similar effect to omitting or misstating that information;
- An entity must assess materiality in the context of the financial statements as a whole; and
- The 'primary users of general-purpose financial statements' are defined as 'existing and potential investors, lenders and other creditors' who rely on general purpose financial statements for the financial information they need.

The amendment does not have a material impact on the Company in the current and future reporting periods.

Revised Conceptual Framework for Financial Reporting

The IASB has issued a Revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- Clarifying important areas, such as roles of stewardship, prudence and measurement uncertainty in financial reporting;
- New definitions of an asset and a liability, including criteria for inclusion in financial statements;
- Providing guidance added on derecognition of assets and liabilities;
- Providing guidance added on different measurement bases;
- Improving guidance on presentation and disclosure, recognising the profit and loss statement as the primary source of information on financial performance; and
- Providing guidance on when income and expenses can be held in other comprehensive income and if subsequent recycling to profit and loss in a future period will enhance the relevance or faithful representation of the financial statements.

Where existing IFRS standards reference the Conceptual Framework and its definitions, these references have been updated by the IASB, with immediate effect, to the Revised Conceptual Framework and its definitions. The Company will adopt the Revised Framework on its effective date. The amendment does not have a material impact on the Company's financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Statement of compliance continued

Basis of preparation

These financial statements have been prepared on a going concern basis in US Dollars under the historical cost convention except for investments and derivative financial instruments that are measured at fair value with changes in fair value recognised in the statement of comprehensive income.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below in note 2 'Key estimates and judgements' of this Report.

These financial statements are the only annual financial statements presented by the Company.

Investment entity

The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- The Company has obtained funds for the purpose of providing investors with investment management services;
- The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of investment vehicles;
- The performance of investments made through the investment vehicles are measured and evaluated on a fair value basis;
- The Company has more than one investment and more than one investor;
- The Company has investors who are not its related parties; and
- The Company has ownership interests in the form of equity.

Subsidiaries

The Company is required to consider all facts and circumstances when assessing whether an entity is an investment entity, including its purpose and design. The absence of any of these typical characteristics, as listed above, does not necessarily disqualify an entity from being classified as an investment entity. The subsidiaries are also deemed to meet the definition of an investment entity per IFRS 10, as they have been formed in connection with JPEL for legal, regulatory, tax or similar business reasons. The subsidiaries do not render investment advisory services management services, or administrative services to any of the investments in the portfolio.

Please refer to note 13 of this Report for details of the Company's subsidiaries.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position and statement of comprehensive income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

i) **Financial assets**

The initial classification of financial assets depends on the purpose for which the financial asset was acquired and its characteristics. All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. All purchases of financial assets are recorded at the trade date, being the date on which the Company became party to the contractual requirement of the financial asset. The Company's financial assets comprise of assets designated as financial assets at fair value through profit or loss and receivables. Unless otherwise indicated the carrying amounts of the Company's financial assets approximate to their fair values.

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) **Financial assets** continued

a) *Financial assets at fair value through profit or loss*

The Company manages its investments with a view to profiting from the receipt of dividends and changes in fair value of equity investments. The Company may also make loan investments, these are designated as financial assets at fair value through profit or loss. Therefore, all quoted investments, unquoted equity investments and debt securities are designated at fair value through profit or loss and subsequently carried in the statement of financial position at fair value. Equity investments at fair value through profit or loss are initially recognised at fair value and related transaction costs are recognised immediately in the statement of comprehensive income within other expenses.

Investments in subsidiaries, not consolidated under IFRS 10, are valued at the fair value of the Company's percentage holding based on the net asset values of the subsidiaries. The NAV of the subsidiaries is based on the fair valuation of the underlying portfolio adjusted for relevant income, expenses, assets and liabilities. The Company reviews the net asset values of the subsidiaries to make any adjustments in order to obtain the best estimate of fair value. In the statement of comprehensive income, "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" includes the change in fair value of the subsidiaries.

Investments in funds are recorded at the fair value of the Company's percentage holding as reported by the sponsors of those funds per the capital statement. The underlying investments held by those funds are measured at fair value, which is based on the sponsors' estimate of fair value. In estimating the fair value of underlying investments the objective of the sponsors is to replicate the assumptions and estimates that parties in an arm's length transaction would make. In arriving at the estimated value of underlying investments, the Sponsors consider market multiples, net assets, industry benchmarks, prices of recent transactions, negotiated sales prices, projected operational and financial results of the underlying investment company and discounted cash flow valuations. The Company believes that this value, in most cases, represents fair value at the year end date. If other factors lead the Company to conclude that the value provided by the sponsors does not represent fair value, the Directors and the Manager will adjust the value of the investment from the sponsors' estimate.

The valuation policies used by many of the private equity general partners and sponsors in undertaking such valuations are generally in line with the latest recommendations of the International Private Equity and Venture Capital Valuation Guidelines ("IPEVCG") or standard industry practice. Changes in fair value are recognised in the statement of comprehensive income under "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

Investments made by the Company are generally considered to be long term investments and are not intended to be disposed of on a short term basis. Accordingly, while the valuation at the year end represents the Directors' best estimate of the realisable amount at the year end, they do not necessarily represent the amounts which may eventually be realised from sales or other disposals of investments. The key estimates and judgements used to arrive at the valuation of unlisted investments are stated in note 2 of this Report.

The disclosure requirements in IFRS 13 establish a hierarchal disclosure framework, which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and characteristics specific to the investment.

Investments: (i) with readily available and actively quoted prices; or (ii) for which fair value can be measured from actively quoted prices, will generally have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments that would generally be included in Level I include listed equities and listed or highly liquid derivatives. The Company, to the extent it holds such investments, does not adjust the quoted price for these investments;

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) **Financial assets** continued

a) *Financial assets at fair value through profit or loss* continued

• Level II – Pricing inputs other than: (i) quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and (ii) fair value is determined through the use of models or other valuation methodologies. The types of investments that would generally be included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives; or

• Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation. The types of investments that would generally be included in this category include equity and/or debt securities issued by private entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the above hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment.

b) *Financial assets held at amortised cost*

- *Receivables*
  These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and then subsequently carried at amortised cost (using the effective interest rate method, less provision for impairment).

- *Cash and cash equivalents*
  Cash comprises deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible within a three month maturity period to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

De-recognition of financial assets

A financial asset (in whole or in part) is de-recognised either:

- When the Company has transferred substantially all the risk and rewards of ownership;
- When it has neither transferred nor retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset;
- When the contractual right to receive cash flow has expired; or
- When the Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all, or substantially all, of the risks and rewards of the transferred assets or a portion of them. If all, or substantially all, risks and rewards are retained, then the transferred assets are not de-recognised.

ii) **Financial liabilities**

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially recognised at fair value net of the transaction costs incurred. All purchases of financial liabilities are recorded on the trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

a) *Financial liabilities measured at amortised cost*

These include trade payables and other short-term monetary liabilities, loans and zero dividend preference shares which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

b) *Derivative financial instruments*

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into and are subsequently re-measured at their fair values.

Notes to the Financial Statements continued

1. **SIGNIFICANT ACCOUNTING POLICIES** continued

Financial instruments continued

ii) **Financial liabilities**

b) *Derivative financial instruments* continued

The Company's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognised immediately in the statement of comprehensive income within "Net changes in fair value on financial assets and financial liabilities at fair value through profit and loss" and "Realised gains/(losses) on forward currency contracts".

The Company's derivative financial instruments comprise of foreign exchange forward contracts. The fair value of these instruments is determined by rates in active currency markets.

De-recognition of financial liabilities

A financial liability (in whole or in part) is de-recognised when the Company has extinguished its contractual obligations it expires or is cancelled. Any gain or loss on de-recognition is taken to the statement of comprehensive income.

Costs incurred for the issuance of ordinary shares

Incremental external costs directly attributable to the equity transaction and costs associated with the establishment of the Company that would otherwise have been avoided are written off against the share capital account.

Earnings per share

The Company presents basic and diluted earnings per Equity share data for its participating shares. When the basic and diluted earnings per Equity share are the same, only the basic earnings per share are reported. Basic earnings per share is calculated by dividing the profit or loss attributable to participating Shareholders of the Company by the weighted average number of participating shares outstanding during the year, adjusted for treasury shares. Diluted earnings per share is determined by adjusting the profit or loss attributable to participating Shareholders and the weighted average number of participating shares outstanding, adjusted for treasury shares, and for the effects of the dilutive potential participating shares of the warrants outstanding. There were no potentially dilutive shares outstanding at the year end.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid (which includes directly attributable costs), is recognised as a deduction from the share capital account. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in the share capital account.

Net changes in fair value of financial assets and financial liabilities through profit or loss

"Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" includes all realised and unrealised fair value changes and foreign exchange differences, but excludes realised gains or losses on derivative financial liabilities and interest and dividend income. Net realised gains or losses on investments at fair value through profit or loss are recognised when the de-recognition criteria for financial assets are met. Gains or losses are recognised when persuasive evidence exists demonstrating that: (i) the significant risks and rewards of ownership have transferred to the buyer; (ii) recovery of the consideration is probable; (iii) there is no continuing management involvement with the investment; and (iv) the amount of gain or loss can be measured reliably.

Dividend and other distribution income

Dividends and other distribution income is measured at the fair value of the consideration received or receivable. Dividends and other distribution income is recognised when persuasive evidence exists, usually in the form of a dividend or distribution notice that payment will be made, and the amount of the dividend or distribution can be measured reliably such evidence is usually in the form of a sale agreement.

Interest

Interest income and expense is recognised in the statement of comprehensive income as it accrues using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Expenses

Expenses are recognised on an accruals basis in the statement of comprehensive income.

Segmental information

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Board of Directors is of the view that the Company's operations comprise a single segment of business.

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Segmental information continued

The Board of Directors, as a whole, has been determined as constituting the chief operating decision maker of the Company. The Shareholders with holdings greater than 10% (2020: 3%) of the total number of US$ Equity Shares in issue are displayed under “Substantial Interests” in the Directors’ Report.

The Board is charged with setting the Company’s investment strategy. They have delegated the day-to-day implementation of this strategy to the Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The Manager has been given full authority to act on behalf of the Company in the management of the Company’s assets in accordance with the amended and restated investment management agreement on behalf of the Company and to carry out other actions as appropriate to give effect thereto.

Whilst the Manager may take investment decisions on a day-to-day basis regarding the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Manager. The Board therefore retain full responsibility as to the major allocation decisions made on an ongoing basis. The Manager will act under the terms of the amended and restated investment management agreement which cannot be changed without the approval of the parties to the agreement.

The key measure of performance used by the Board to assess the Company’s performance and to allocate resources is the NAV which is prepared on a monthly basis by IQ-EQ. The NAV reported by the Administrator is prepared on a basis consistent with International Financial Reporting Standards.

The Company’s investments held as of the year end, and their geographical areas (included as supplementary information only) are presented in the table below. The Company does not hold any non-current assets other than financial assets at fair value through profit or loss.

	2021		2020	
Region	$'000	%	$'000	%
North America	47,153	31%	107,776	56%
Europe	87,082	57%	67,584	35%
Asia	12,955	8%	11,555	6%
Other	5,808	4%	6,569	3%
Total	**152,998**	**100%**	**193,484**	**100%**

Foreign exchange

Functional and presentation currency

The Board has resolved that the financial statements of the Company be presented in US Dollar. The Board considers the US Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events, share capital structure and conditions. The financial statements are presented in US Dollar, which is also the Company’s functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “Net foreign exchange gains/(losses)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss”.

The Company incurs only withholding tax imposed by certain countries on dividend income, which is recorded gross of withholding tax with withholding tax being shown as a separate item in the statement of comprehensive income.

Taxation

The Company falls under the Zero-Ten Guernsey tax regime and has its investment income assessed for tax at a taxable rate of 0%.

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Offsetting

Financial instruments are offset and the net amounts reported in the statement of financial position only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

2. KEY ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The only estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of investments.

Valuation of investments

The Company has interests in various different types of investments including: investments in subsidiaries, investments in unquoted funds and direct investments in unquoted companies.

Investments in subsidiaries

Investments in subsidiaries are valued at fair value of the Company's percentage holding, based on the latest available net asset values of the subsidiaries. The Directors or the Manager reviews the net asset values and considers the liquidity of the subsidiaries or its underlying investments, value date of the net asset values and any restrictions on dividends from the subsidiaries. If necessary, the Directors or the Manager makes adjustments to net asset values of the subsidiaries to obtain the best estimate of its fair value.

Investments in unquoted funds

The investments in unquoted funds are valued in accordance with IPEVCG as set out in the financial assets policy above. Investments in unquoted private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective sponsor as per the capital statement, which necessarily incorporates estimates made by those sponsors. The Company believes that this value, in most cases, represents fair value as of the relevant statement date. If other factors lead the Company to conclude that the value provided by the sponsor does not represent fair value, the Directors and Manager will adjust the value of the investment from the sponsor's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the sponsors, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the sponsor or an independent valuation agent, the Directors and the Manager will estimate the fair value in accordance with IPEVCG. Investment funds that hold publicly traded securities may be adjusted to reflect the market price at year end. In addition, the Manager may apply a discount to reflect limited marketability and illiquidity of these securities which are held via the underlying investment fund.

Direct investments in unquoted companies

Direct investments in unquoted companies are generally valued based on the fair value of each investment as reported by the respective sponsor.

Direct investments in unquoted companies where no fair value is being provided to the Company by the management or sponsor are carried at fair value, as estimated by the Directors and Manager. In estimating fair value, the Directors and the Manager consider the value assigned to each investment by the lead investor (if any) with which the Company has co-invested, to the extent known.

The Directors and the Manager also consider the estimated fair value based on the projected enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time and in a transaction between willing parties other than in a forced sale or liquidation. In these instances, market multiples considering specified financial measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) and/or a discounted cash flow or liquidation analysis can be used.

Consideration may also be given to such factors as: (i) the company's historical and projected financial data; (ii) valuations given to comparable companies; (iii) the size and scope of the company's operations; (iv) the company's strengths and weaknesses; (v) applicable restrictions on transfer; (vi) industry information and assumptions; (vii) general economic and market conditions; and (viii) other factors deemed relevant. The Directors and the Manager may also engage the services of a third party valuation firm to assist with valuing the asset.

2. KEY ESTIMATES AND JUDGEMENTS continued

Direct investments in unquoted companies continued

The below table shows the effect of a change in valuation for fund investments and direct investments in which a sponsor provides an estimated NAV. For the direct investments in which a sponsor does not provide an estimated NAV, the table shows the effect of changing the assumptions behind the valuation technique adopted by the Manager. The Directors and the Manager believe that the 10% (2020: 10%) change in unobservable inputs is the best estimate of a reasonable possible shift for all the categories listed below.

	2021					
Description	**Fair Value ($000's)**	**Valuation Technique**	**Unobservable Inputs**	**Input**	**Reasonable possible shift +/- (%)**	**Change in Valuation and impact on Profit or Loss +/- ($000's)**
Fund Investments	38,525	NAV	NAV	N/A	10%	3,853/(3,853)
Direct Investments - NAV provided by the Sponsors	109,744	NAV	NAV	N/A	10%	10,974/(10,974)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	4,729	NAV - Adjusted	NAV	N/A	10%	(473)/(473)
Direct Investments - NAV estimated by the Board and Manager	-	Comparable Trading Multiples	EBITDA	5.1x	10%	-

	2020					
Description	**Fair Value ($000's)**	**Valuation Technique**	**Unobservable Inputs**	**Input**	**Reasonable possible shift +/- (%)**	**Change in Valuation and impact on Profit or Loss +/-**
Fund Investments	42,156	NAV	NAV	N/A	10%	4,216/(4,216)
Direct Investments - NAV provided by the Sponsors	143,264	NAV	NAV	N/A	10%	14,326/(14,326)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	8,064	NAV - Adjusted	NAV	Weighted average discount	10%	(1,930)/(309)
Direct Investments - NAV estimated by the Board and Manager	-	Comparable Trading Multiples	EBITDA	5.1x	10%	-

Unconsolidated structured entities

A structured entity is defined by IFRS 12 ‘Disclosures of Interests in Other Entities’ as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company invests in certain investment funds which meet the definition of structured entities in accordance with IFRS 12. The investment funds are primarily closed-ended private equity limited partnerships or investment companies which invest in underlying companies for the purposes of capital appreciation and where the relevant activities are directed mostly by means of contractual arrangements with the sponsors or managers. These entities are generally financed through committed capital from limited partners or shareholders, with cash being drawn down for financing investment activity.

As at 30 June 2021, the Company's maximum exposure to loss attributable to these entities comprises the current carrying value of the assets, along with the uncalled committed capital relating to those investments, as summarised below:

	2021 $'000	2020 $'000
Financial assets at fair value through profit or loss	114,353	95,096
Uncalled commitments	23,069	25,228
Maximum loss exposure	**137,422**	**120,324**

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Introduction and overview

The following table details the categories of financial assets and liabilities held by the Company at the reporting date:

	2021 $'000	2020 $'000
Assets		
Financial assets at fair value through profit or loss:		
- Investment portfolio	152,998	193,484
- Derivative financial instruments	1,365	-
Cash and cash equivalents and receivables	15,365	15,340
Total financial assets	169,728	208,824
Liabilities		
Financial liabilities at fair value through profit or loss:		
- Derivative financial instruments	-	(440)
Payables and accruals	(2,572)	(956)
Total financial liabilities	(2,572)	(1,396)

This note presents information about the Company's exposure to each significant area of risk arising from holding financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Financial risk management framework

The Company, its investments and the underlying portfolio companies are materially affected by a variety of financial risks: (i) market risk (including foreign exchange risk, interest rate risk and other price risk); (ii) credit risk; and (iii) liquidity risk.

These risks are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received from investments in the portfolio and the liquidity and the value of investments. The Company may be unable to mitigate its exposure to these risks as efforts to manage its exposure may or may not be effective.

The Company anticipates that the scope of risk management activities it undertakes will vary based on the level and volatility of interest rates and public equity indexes, prevailing foreign currency exchange rates, the type of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines.

Exposure to market risk

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and price risk.

The private equity investments held through subsidiaries, private equity funds and direct private equity investments in the Company's portfolio may be materially affected by conditions in the global financial markets and economic conditions. The capital and credit markets have experienced unprecedented volatility and disruption over recent periods. Uncertainty created by market and economic conditions and a tightening of credit could lead to declines in valuations of equity and debt securities without regard to the underlying financial condition of the issuer in certain cases.

The global financial markets and economic conditions may become dislocated or deteriorate, due to a variety of factors beyond the control of the Company. The sponsors of the funds held by the Company may face reduced opportunities to sell and realise value from their existing portfolio companies, and portfolio companies may employ substantial indebtedness that may be difficult to extend or replace and which may magnify the impact of any valuation changes.

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to market risk continued

While difficult market conditions may increase opportunities to make certain distressed asset investments, such conditions also increase the risk of default with respect to portfolio companies with debt investments. Such defaults would adversely affect the profitability and net asset values of the investment funds in the Company's portfolio, and consequently, the profitability, NAV and share price of the Company. Furthermore, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and harm its profitability, NAV and share price. Deteriorating conditions in the global financial markets, and actions by governments to address them, have created a great deal of uncertainty for the asset management industry, which may adversely affect the Company's investments, access to financing, competitive landscape and overall performance.

Management of market risks

The Manager is in regular dialogue with the management and sponsors of its largest underlying positions and receives regular updates on the potential, or anticipated, market impact on underlying portfolio company operations. The Manager reports these findings to the Board on a quarterly basis.

Exposure to interest rate risk

The Company's exposure to the risk of changes in interest rates relates primarily to cash and cash equivalents and the credit facility (undrawn at 30 June 2021). In addition, the Company believes it will continue to be subject to additional risks associated with changes in the prevailing interest rates as its underlying portfolio companies may have a significant degree of indebtedness. To a lesser extent, the Company also has investments in mezzanine or special situation private equity funds and as such, has interest rate exposure through these fund investments.

Management of interest rate risk

The Company's overall interest rate risks and day-to-day decision making are managed on an ongoing basis by the Manager in accordance with its internal policies. The Board are consulted on a quarterly basis, or more frequently as the case may be. In respect of income-earning financial assets and interest-bearing financial liabilities, the following table classifies the financial assets and liabilities by fixed and variable rate instruments.

	2021 $'000	2020 $'000
Variable rate instruments		
Financial assets - cash and cash equivalents	15,011	15,259
Total interest sensitivity gap	**15,011**	**15,259**

An increase in 100 basis points in interest rates as at the reporting date would have increased net assets by $150,110 (2020: $152,590). A decrease of 100 basis points would have had an equal but opposite effect.

Exposure to currency risk

Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Company's assets and liabilities, the NAV and the market price of the US$ Equity Shares. The Company's functional currency is the US Dollar. As a result, foreign currency assets and liabilities will be translated to US Dollars. The Company maintains investments in Euros, Sterling, Australian Dollars, and other currencies, and may invest in financial instruments and enter into transactions denominated in currencies other than US Dollars.

When valuing investments that are denominated in currencies other than the functional currency, the Company is required to convert the values of such investments into its functional currency based on prevailing exchange rates as at the end of the applicable accounting period. Changes in exchange rates between the functional currency and other currencies could lead to significant changes in the net asset values that the Company reports from time to time and could subject such net asset values to favourable or unfavourable fluctuations. Among the factors that may affect currency values are trade balances, levels of short term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Management of currency risk

The Company's overall currency risks and day-to-day decision making are managed on an ongoing basis by the Manager in accordance with its internal policies. The Board are consulted on a quarterly basis, or more frequently as the case may be.

The Company currently has one forward currency contract in place to partially mitigate fluctuations in its foreign exchange exposure. The Company does not apply hedge accounting as set out in IFRS 9, however informal hedge arrangements are used and the Manager may engage in such currency hedging to limit the Company's exposure to currency fluctuations.

Currency hedging by the Manager may be by means of spot and forward currency contracts or options on such contracts or by using such other derivative instruments as may be available and having the same or similar effect. Since inception, the Company has employed put options, spot and forward currency contracts.

During the year the Company realised a net foreign exchange (loss)/gain of ($3,975,745) (2020: $2,015,359). This was largely a result of the currency hedges placed to mitigate the Company's exposure to the Australian Dollar and Euro.

The success of any hedging or other derivative transactions that the Company may enter into will generally depend on its ability to offset changes in market value. As a result, while the Company may enter into such transactions for a particular class of shares in order to reduce its exposure to currency fluctuations, unanticipated market changes may negatively affect the outcome of such transactions. The Company is also subject to the risk that counterparties in any hedging or other derivative transactions will be unable or unwilling to perform their obligations.

There can be no assurance that currency hedging will be effective and that the Company's financial condition will not be adversely affected by fluctuations in currency exchange rates. Furthermore, if any of the Company's counterparties were to default on their obligations under derivative contracts, it could have a material adverse effect on the Company's business, financial condition or results of operations. See discussion on credit risk within this Report for further information on how the Company manages counterparty risk.

The Company's underlying investments are denominated in Euros, Sterling, Australian Dollars, UAE Dirham and US Dollars. Any distributions in respect of the US$ Equity Shares have been made in US Dollars and the market prices and net asset values of the US$ Equity Shares are reported in US Dollars.

At the reporting date the carrying value of the Company's financial assets and financial liabilities held in individual foreign currencies as a percentage of its net assets were as follows:

Currency	2021	2020
Euro	50%	28%
Sterling	-	1%
UAE Dirham	1%	1%
Australian Dollar	-	-

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Management of currency risk continued

The following table sets out the aforementioned total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

	2021			
	Financial assets $'000	Financial liabilities $'000	Forward currency contracts $'000	Net exposure $'000
Euro	81,848	-	1,365	83,213
Sterling	644	(51)	-	593
UAE Dirham	1,064	-	-	1,064
Australian Dollar	372	-	-	372

	2020			
	Financial assets $'000	Financial liabilities $'000	Forward currency contracts $'000	Net exposure $'000
Euro	59,103	-	(440)	58,663
Sterling	2,791	(40)	-	2,751
UAE Dirham	1,636	-	-	1,636
Australian Dollar	381	-	-	381

Amounts on the above table are based on the carrying value of monetary assets and liabilities and the underlying principal amount of forward currency contracts. Based on the standard deviation of currency fluctuations, the volatility of each currency has been assessed at the year end; had the reporting currency of each investment (where the functional currency is not US Dollar) strengthened by the following amounts in relation to US Dollar, shown in the table below with all other variables held constant, Shareholders' equity would have decreased/(increased) by the amounts shown:

	2021		2020	
	Volatility	Decrease/(increase)	Volatility	Decrease/(increase)
	%	$'000	%	$'000
Euro	4.9	4,064	6.3	3,696
Sterling	4.7	28	9.4	259
UAE Dirham	0.0	-	0.0	-
Australian Dollar	8.1	30	14.2	54

The relevant weakening of the reporting currency against the above currencies would have resulted in an equal but opposite effect on Shareholders' equity by amounts shown above, on the basis that all other variables remain constant.

Exposure to other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in that market. As the Company's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net gains on investments and NAV.

Management of other price risk

The Manager monitors price risk and consults with the Board on a quarterly basis, or more frequently as the case may be.

As at 30 June 2021, the Company had no direct exposure to assets that are publicly traded on equity markets (30 June 2020: Nil).

The impact on net assets of increasing/decreasing the unobservable inputs used in the Company's valuation of direct investments in unquoted companies where the value is estimated by the Directors and the Manager is presented in note 2 of this Report.

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This risk relates to financial assets carried at amortised cost, as they have a short term to maturity.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2021 $'000	2020 $'000
Cash and cash equivalents	15,011	15,259
Receivables	354	81
Total	**15,365**	**15,340**

In respect of credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks substantially all of the Company's cash and forward currency contracts are maintained with Lloyds Bank plc and Bank of America Merril Lynch International. The Manager monitors the financial position of all banks on an ongoing basis by reviewing earnings releases. As at 30 June 2021, Moody's has assessed the long term credit ratings for Lloyds Bank plc as A1 (2020: Aa3), Standard & Poor's has calculated the long term credit rating for Bank of America Merrill Lynch International as A+ (2020: A+). In the event that the credit quality of any bank deteriorates significantly, the Manager will move the cash holdings to another bank. Substantially all of the cash assets of the Company are held by Lloyds Bank.

Bankruptcy or insolvency of the Banks may cause the Company's rights with respect to securities held by the Banks to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial position of the various Banks the Company uses.

Management of credit risk

The Manager monitors credit risk and consults with the Board on a quarterly basis, or more frequently as the case may be.

Exposure to liquidity risk

The Company's financial instruments primarily include investments in unlisted equity investments that are not publicly traded and therefore may be illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments at an amount close to their fair value should such liquidation be necessary to meet liquidity requirements, including the need to meet outstanding undrawn commitments and other obligations as and when these fall due.

Management of liquidity risk

The Company's exposure to liquidity risk is actively managed and monitored on an ongoing basis by the Manager, and by the Board on a quarterly basis. The Manager frequently consults with their underlying fund managers about upcoming capital requirements as well as potential exit and other monetisation events. Where the Manager believes there may be upcoming liquidity requirements, they will take necessary action to ensure that adequate funds are available.

The Company's liquidity may also be impacted by mandatory redemptions of US$ Equity shares. While any compulsory redemption of US$ Equity Shares is offered at the Board's sole discretion, in the event that US$ Equity shares are redeemed, it may require the use of a material amount of excess cash.

During the fiscal year, the Company's credit facility has been reduced to $10 million (2020: $20 million), none of which is drawn. Per the credit agreement, the Company and the lender monitor the loan covenants on a quarterly basis. As at 30 June 2021, the Company was in compliance with all such covenants.

The credit facility was extended to expire on 31 December 2021.

The Company also maintains cash and cash equivalents in excess of what the Manager believes will be required in the coming quarters. As at 30 June 2021, the Company held cash and cash equivalents of $15.01 million (2020: $15.26 million).

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Management of liquidity risk continued

The investment commitments presented in note 12 of this Report represent commitments to invest capital to underlying investments at such time as the managers of those assets request. The precise timing of future calls, and whether such calls will be made at all, is at the discretion of the investment managers of each individual asset within the investment portfolio.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables below are the contractual undiscounted cash flows. The impact of discounting is not significant as balances due within 12 months equal their carrying balance.

	2021			
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	3 months to 1 year $'000
Payables and accruals	2,572	2,572	2,572	-
	2,572	**2,572**	**2,572**	**-**

	2020			
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	3 months to 1 year $'000
Payables and accruals	956	956	956	-
Derivative financial instruments	440	440	440	-
	1,396	**1,396**	**1,396**	**-**

4. INTEREST AND DISTRIBUTION INCOME

The following table details the interest and other distribution income earned during the year:

	2021 $'000	2020 $'000
Interest income from cash and cash equivalents	3	337
Dividend income	136	1,630
Interest income from investments	892	617
	1,031	**2,584**

5. CREDIT FACILITY COSTS

The following table details the interest and other expenses incurred on the credit facility during the year:

	2021 $'000	2020 $'000
Undrawn commitment fee	127	224
Credit facility fees	20	70
	147	**294**

Notes to the Financial Statements continued

6. OTHER EXPENSES

The following table details the other expenses incurred during the year:

	2021 $'000	2020 $'000
Legal and professional fees	588	349
Portfolio management fees from limited partnerships	105	239
Sundry expenses	71	142
Travel expenses	55	78
Filing and regulatory fees	49	55
Bank charges	47	19
	915	**882**

7. NET CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table summarises the gains/(losses) from financial assets and liabilities at fair value through profit or loss for the year:

	2021 $'000	2020 $'000
At fair value through profit or loss		
- Investment portfolio	41,709	(8,996)
- Derivative financial instruments	1,805	182
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	**43,514**	**(8,814)**

8. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table details the changes in liabilities arising from financing activities at the reporting date:

	As at 01 July 2020 $'000	Interest accretion $'000	Payable arising on redemption $'000	Foreign exchange adjustment $'000	Financing cash flows $'000	As at 30 June 2021 $'000
Payable arising on U$ Equity shares redemption	-	-	75,000	-	(75,000)	-
Financial liabilities as at 30 June 2021	**-**	**-**	**75,000**	**-**	**(75,000)**	**-**

9. NET FOREIGN EXCHANGE GAINS/(LOSSES)

The following table details the net foreign exchange gains/(losses) during the year:

	2021 $'000	2020 $'000
Cash and cash equivalents	80	(36)
Other	(5)	13
	75	**(23)**

Notes to the Financial Statements continued

10. RECEIVABLES

The following table details the receivables at the reporting date:

	2021 $'000	2020 $'000
Distributions receivable	324	51
Other receivables	30	30
	354	**81**

11. PAYABLES AND ACCRUALS

The following table details the payables and accruals at the reporting date:

		2021 $'000	2020 $'000
Investment management fees	17	269	506
Tax fees		230	126
Audit fees		179	191
Administration fees	17	67	65
Directors' fees		45	40
Performance fees	17	1,714	-
Other fees		68	11
Total accruals		2,572	939
Capital calls payable		-	17
Total payables and accruals		**2,572**	**956**
Maturity profile			
Due within one year		2,572	956

12. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

All investments are designated at fair value through profit or loss at initial recognition, all derivatives are held for trading, therefore all gains and losses arise on investments designated at fair value through profit or loss and on derivatives held for trading. Given the nature of the Company's investments the fair value gains and losses recognised in these financial statements are not considered to be readily convertible to cash in full at the reporting date and therefore the movements in these fair values are treated as unrealised.

Commitments

The Company has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the fund's administrator or sponsor. As of 30 June 2021, the Company held interests in private equity funds, including fund-of-funds and direct investments and had unfunded commitments to private equity funds of $23.1 million (2020: $25.3 million) that may be called by the underlying limited partnerships. The Board consider the majority (approximately $22.8 million) of the Company's unfunded commitments are unlikely to be called.

Notes to the Financial Statements continued

12. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS continued

Investments at fair value

The following table is an analysis of the investment portfolio disclosing fair value balances and fair value movements of the investments:

	2021 $'000	2020 $'000
Fair value at beginning of the year	193,484	298,746
Purchase of investments and funding of capital calls*	2,694	(3,248)
Distributions from limited partnership interests and proceeds from disposal of investments	(84,889)	(93,018)
Net fair value movement in the year (including foreign exchange gains and losses)	41,709	(8,996)
Fair value at the end of the year	**152,998**	**193,484**
Reconciliation of accumulated unrealised movements		
Accumulated unrealised losses at beginning of the year	(103,727)	(53,293)
Net unrealised losses in the year (including foreign exchange gains and losses)	(12,941)	(50,434)
Accumulated unrealised losses at the end of the year	**(116,668)**	**(103,727)**

*For 30 June 2020, the value includes repayment of contributions paid in the prior year, amounting to US$7.4 million from Milestone Investisseurs 2014 SLP, accounting for the net reduction in the portfolio.

Details of underlying investments are presented in the supplementary schedule of investments in note 22 of this Report.

Fair value hierarchy

The following tables summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 30 June 2021:

	2021			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets at fair value through profit or loss				
- Investment portfolio	152,998	-		152,998
- Derivative instruments	1,365	-	1,365	-
	154,363	**-**	**1,365**	**152,998**

	2020			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets at fair value through profit or loss				
- Investment portfolio	193,484	-	-	193,484
Financial liabilities at fair value through profit or loss				
- Derivative instruments	(440)	-	(440)	-
	193,044	**-**	**(440)**	**193,484**

Notes to the Financial Statements continued

12. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS continued

Fair value hierarchy continued

Level I classification represents direct equity investments in public companies that trade actively on recognised stock exchanges.

Level II classification represents the Company's forward currency contracts. The forward currency contracts are not traded in active markets and their prices are not publicly available but are derived from underlying assets or elements that are publicly available. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for forward currency contracts.

Level III classification represents investments in unquoted funds, unquoted companies and debt securities. Generally, redemptions/exits from such investments are not permitted unless agreed by the sponsor of the investments and liquidity is available to the extent of distributable realised events.

Although such investments may be sold in a secondary market transaction, subject to meeting certain requirements of the governing documents of each investment, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the Company were to sell an investment in the secondary market, the sale could occur at an amount different than the reported fair value, and the difference could be material. The Company expects to receive distributions from the investment as their underlying investments are sold. The timing of such liquidations is uncertain.

Refer to note 2 of this Report for further information on how the Company values these investments and the sensitivity of the fair value to changes in unobservable inputs.

There have been no transfers between levels I, II and III during the year.

The changes in the fair value of investments which the Company has classified as Level III are as follows:

	2021 $'000	2020 $'000
Fair value at beginning of the year	193,484	298,746
Purchase of investments and funding of capital calls	2,694	(3,248)
Distributions from limited partnership interests and proceeds from disposal of investments	(84,889)	(93,018)
Net fair value movement in the year (including foreign exchange gains and losses)	41,709	(8,996)
Fair value at the end of the year	**152,998**	**193,484**

The Level III portfolio gains and losses included in profit or loss for the year ended 30 June 2021 are as follows:

	2021 $'000	2020 $'000
Reconciliation of accumulated unrealised movements		
Accumulated unrealised losses at beginning of the year	(90,929)	(40,495)
Net unrealised losses in the year (including foreign exchange gains and losses)	(12,941)	(50,434)
Accumulated unrealised losses at the end of the year	**(103,870)**	**(90,929)**

Total realised and unrealised gains and losses recorded for Level III investments, if any, are reported in "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" in the statement of comprehensive income.

Notes to the Financial Statements continued

12. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS continued

Fair value hierarchy continued

The following table summarises within the fair value hierarchy the Company's assets and liabilities not measured at fair value but for which fair value is disclosed:

	2021			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Receivables	354	-	354	-
Cash and cash equivalents	15,011	15,011	-	-
Total financial assets at fair value	**15,365**	**15,011**	**354**	**-**
Liabilities				
Other payables, accrued expenses and other financial liabilities	(2,572)	-	(2,572)	-
Total financial liabilities at fair value	**(2,572)**	**-**	**(2,572)**	**-**

	2020			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Receivables	81	-	81	-
Cash and cash equivalents	15,259	15,259	-	-
Total financial assets at fair value	**15,340**	**15,259**	**81**	**-**
Liabilities				
Other payables, accrued expenses and other financial liabilities	(1,396)	-	(1,396)	-
Total financial liabilities at fair value	**(1,396)**	**-**	**(1,396)**	**-**

13. UNCONSOLIDATED SUBSIDIARIES

The Company has established a number of investment holding vehicles that are held purely for the purposes of holding the underlying investments in private equity funds and other direct investments. These special purpose entities are presented in detail below:

Name of subsidiary	Country of incorporation	% Holding	Principal activity
BSPEL Mezzanine Funding Limited ("BMFL")	Guernsey	100.0	Holding company
BSPEL/Migdal Mezzanine Limited ("BMML")	Guernsey	80.0	Holding company
BSPEL Australia Limited ("BSPEL Aus")	Guernsey	100.0	Holding company
Bear Stearns Global Turnaround Fund L.P. ("GTF")	Delaware	100.0	Limited Partnership
Back Bay (Guernsey) Limited ("Back Bay")	Guernsey	78.8	Holding company
JPEL Holdings Limited ("JPEL Holdings")	Guernsey	100.0	Holding company

The subsidiaries above are considered to be investment entities under IFRS 10 and further details regarding the investments that are controlled by the subsidiaries is presented below;

BMFL owns 80% of the issued share capital of BMML, a Guernsey registered company whose principal activity is that of a holding company.

BMML holds a 50% interest in BoS Mezzanine Partners, LP ("BoS Mez"), a Scotland registered LP whose principal activity is that of a limited partnership and holds four fund investments.

13. UNCONSOLIDATED SUBSIDIARIES continued

BSPEL Aus owns 100% of the issued trust units in ROC Private Capital Trust, an Australia registered trust whose principal activity is that of an investment trust and holds five fund investments.

GTF is a limited partnership and holds non-controlling interests in eight fund investments.

Back Bay holds 100% of Back Bay (Cayman) Limited, which holds 100% of the issued debt of Stoneleigh Back Bay Associates LLC, a US registered company whose principal activity in that of real estate investment and holds one investment. JSOF Holdings Ltd holds the non-controlling interest of 22.2% in Back Bay.

JPEL Holdings owns 60% of Corsicana Feeder Co-Investors, LLC, a US registered company whose principal activity is that of a holding company and holds one investment in a household products company. JPEL Holdings also holds non-controlling interests in eight other companies and fund investments.

Details of the names and values as of 30 June 2021 of all the investments held by the subsidiaries are disclosed in note 22 of this Report.

Refer to note 2 of this Report for disclosure of interests held by the Company and its subsidiaries in unconsolidated structured entities, as defined by IFRS 12.

14. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments held are forward currency contracts.

Forward currency contracts are primarily used by the Company to hedge against foreign exchange rate risks on its non-US dollar dominated investments. The Company agrees to deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the reporting date. The Company recognises a gain or loss equal to the change in fair value at the reporting date.

The following forward currency contracts were outstanding as at the reporting date:

	2021				
Currency sold	Currency amount sold $'000	Currency bought	Currency amount bought '000	Settlement date	Fair value $'000
EUR	40,000	USD	48,809	2 July 2021	-
EUR	40,000	USD	47,728	2 August 2021	-
USD	48,786	EUR	40,000	2 July 2021	1,369
USD	47,702	EUR	40,000	2 July 2021	(4)
					1,365

	2020				
Currency sold	Currency amount sold $'000	Currency bought	Currency amount bought '000	Settlement date	Fair value $'000
EUR	45,000	USD	50,114	3 July 2020	-
EUR	40,000	USD	44,975	3 August 2020	-
USD	50,088	EUR	45,000	3 July 2020	(434)
USD	50,568	EUR	45,000	3 July 2020	(6)
					(440)

Notes to the Financial Statements continued

15. CREDIT FACILITY

The Company has entered into a multi-currency credit facility agreement with Lloyds Bank. As at 30 June 2021, the total facility was $10 million (30 June 2020: $20 million) and bears interest of US$ LIBOR/EURIBOR + 250 bps for drawn amounts. A flat 0.8% rate is paid on undrawn amounts. The current facility agreement was last amended in 23 December 2020 and is due to expire 31 December 2021. The facility contains a number of covenants that restrict total leverage and promote asset diversification and the Company has the ability to borrow up to 25% of its Total Assets. Furthermore, the asset base from which the Company may borrow funds may be reduced if certain diversity criteria are breached; including geography, investment strategy, investment type, and company and manager concentration limitations. As at 30 June 2021, the Company had no drawn leverage (30 June 2020: Nil) per the credit agreement.

16. SHARE CAPITAL

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. As at 30 June 2021, the Company's capital is represented by US$ Equity Shares and other reserves. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives, both of which are detailed in the Overview & Strategy and Investment Policy sections on page 2. The Board also monitors the level of discount between the market price of its US$ Equity Shares and the Company's NAV per share.

The Company attempts to minimise any discount between the share price of its US$ Equity Shares and the Company's NAV per share through open market purchases of shares at the discretion of the Directors. The Company may hold the acquired shares in its treasury and may re-issue such shares to the market at the current prevailing NAV per share to avoid dilution of existing Shareholders. At the AGM of 20 December 2007, the shareholders entitled the Board to make market purchases in accordance with the Companies (Purchase of Own shares) Ordinance 1998 of US$ Equity Shares of up to 14.99% of the issued shares. At the AGM held on 25 November 2020, the Directors' authority to make such market purchases was renewed for an additional year. The Directors at their sole discretion may resolve to make distributions on any particular redemption date by way of redeeming US$ Equity Shares in issue. During the year, the Directors authorised the redemption of 46,583,760 US$ equity shares for $74,999,854.

The balance of shares held in treasury at the year end was 17,750,000 (2020: 17,750,000) all of which were US$ Equity Shares.

There were no changes in the Company's approach to capital management during the year.

Authorised share capital

The authorised share capital of the Company is £100 divided into 100 founder shares of £1 each, and an unlimited number of redeemable participating preference shares of no par value each, which may be issued and designated as US$ Equity Shares, GBP Equity Shares, EUR Equity Shares or any other shares (denominated in any currency) as may be determined by the Board from time to time in accordance with Article 3(4)(d) of the Company's Articles.

Notes to the Financial Statements continued

16. SHARE CAPITAL continued

Issued share capital

On 31 December 2020, JPEL redeemed 46,583,760 US$ Equity Shares, on a pro rata basis, at the prevailing NAV per US$ Equity Share of $1.61 as at 31 December 2020, (being the most recent NAV per US$ Equity Share available at the date of the announcement). The shares were cancelled automatically following their redemption.

The movement of the US$ Equity Shares in the year was as follows:

	Date	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on buyback ($)
Balance as at 30 June 2020		129,101,529			173,130,742	
Share Redemption*						
	31 December 2020	(46,583,760)	$1.61	(74,999,854)	(62,470,840)	(12,529,014)
Total		(46,583,760)		(74,999,854)	(62,470,840)	(12,529,014)
Balance as at 30 June 2021		**82,517,769**			**110,659,902**	

	Date	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on buyback ($)
Balance as at 30 June 2019		189,682,752			254,372,786	
Share Redemption*						
	22 October 2019	(38,235,033)	$1.70	(64,999,556)	(51,274,835)	(13,724,721)
	1 April 2020	(22,346,190)	$1.79	(39,999,680)	(29,967,209)	(10,032,471)
Total		(60,581,223)		(104,999,236)	(81,242,044)	(23,757,192)
Balance as at 30 June 2020		**129,101,529**			**173,130,742**	

*It is mandatory for all shareholders to participate but redemption is subject to final approval and discretion of the Directors. The shares were mandatorily redeemed at the prevailing NAV per share at the time of the mandatory redemption. The premium above the cost basis was recognised in the Company's accumulated gains in the Statement of Changes in Equity.

The US$ Equity Shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the Directors may determine. On winding – up, US$ Equity Shareholders will be entitled to the net assets of the Company after any payables have been paid. As at 30 June 2021, the total share capital was $110,659,902 (2020: $173,130,742).

17. MATERIAL AGREEMENTS

The Manager is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets (as defined in the investment management agreement). The total management fee due for the year was $1,764,186 (2020: $2,631,595). The amount payable to the Manager at the end of the year was $269,141 (2020: $506,407).

The Manager is also entitled to a performance fee if the aggregate NAV of the US$ Equity Shares at the end of the performance period exceeds (i) the aggregate net assets at the start of the performance period by more than 8% and (ii) the highest previously recorded aggregate NAV of Equity as at end of performance period of which performance fee was last paid.

The amount of such performance fee will be 7.5% of the total increase in aggregate NAV above the performance hurdle. The performance fee recognised during the year was $1,714,207 (2020: Nil), all of which was outstanding as at year end. The Board has reviewed the basis for the performance fee and is satisfied that it is fair and appropriate.

The Administrator is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services. Total fees for the year were $738,470, (2020: $768,821). At 30 June 2021, $67,366 (2020: $65,235) was outstanding in respect of administration fees.

Notes to the Financial Statements continued

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

Earnings per Share

Earnings per share is calculated by dividing the net profit for the year attributable to the US$ Equity Shares by the weighted average number of shares outstanding during the year. Net profit for the year was $34,727,923 (2020: ($10,156,789)). The weighted average number of US$ Equity Shares in issue during the year was 105,873,462 (2020: 158,315,182).

Weighted average number of US$ Equity Shares		
In thousands of shares	Note	2021
Issued shares at 30 June 2020	16	129,102
Effect of shares bought back on:		
31 December 2020		(23,228)
Weighted average number of US$ Equity Shares 30 June 2021		**105,874**

Weighted average number of US$ Equity Shares		
In thousands of shares	Note	2020
Issued shares at 30 June 2019	16	189,683
Effect of shares bought back on:		
22 October 2019		(26,117)
1 April 2020		(5,251)
Weighted average number of US$ Equity Shares at 30 June 2020		**158,315**

NAV per share is calculated by dividing the net assets attributable to the US$ Equity Shares at the end of the year by the number of shares outstanding at the end of the year. The NAV for the year was $167,156,200 (2020: $207,428,131). The total number of US$ Equity Shares outstanding at the end of the year was 82,517,769 (2020: 129,101,529).

19. RELATED PARTY TRANSACTIONS

The Manager is a related party of the Company. Refer to note 17 of this Report for a breakdown of fees paid during the year.

Mr. Spencer owned 7,343 US$ Equity Shares; Mr. Hurst owned 6,086 US$ Equity Shares and Mr. Dalwood owned 31,191 US$ Equity Shares at 30 June 2021.

Mr. Hurst is entitled to receive directors fees of £40,000 per annum, Mr. Loudon, Mr. Spencer and Mr. Dalwood are each entitled to receive directors fees of £30,000 per annum. In addition during the year the Company paid $1,176 to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 30 June 2021.

20. ULTIMATE CONTROLLING PARTY

The Company does not have an ultimate controlling party.

21. POST BALANCE SHEET EVENTS

On 6 August 2021, JPEL Private Equity received a distribution from JPEL Holdings in the amount of $77,900,000. The distribution is a result of the realisation of the largest investment, Swania, investment in Milestone Investisseurs 2014 SLP, as managed by JPEL Holdings.

Consequently to the sale of Swania, the Board completed its ninth mandatory redemption on 12 August 2021, where JPEL returned $85 million to US$ Equity Shareholders (the equivalent of approximately 42.5 million US$ Equity Shares, or 51.5% of US$ Equity Shareholder NAV). Inclusive of this mandatory redemption, JPEL has returned $499.2 million to US$ Equity Shareholders, or approximately 104.2% and 131.3% of the Company's 31 October 2016 NAV and market capitalisation.

Notes to the Financial Statements continued

22. SCHEDULE OF INVESTMENTS

Vehicle	Investment	2021 $000's	2020 $000's
Back Bay	Stoneleigh Back Bay Associates LLC	7,591	9,942
BMFL/BMML*	BoS Mezzanine Partners, LP	1,559	2,047
BSPEL Aus	ROC Private Capital Trust	1,082	1,532
JPEL	Aksia Capital III	47	85
JPEL	Apollo Investment Fund V, L.P.	28	28
JPEL	Ares European Real Estate Fund I (IF), L.P.	10	4
JPEL	Argan Capital Fund	-	468
JPEL	Arlington Capital Partners II, L.P.	7	7
JPEL	Beacon India Private Equity Fund	3,989	4,012
JPEL**	Bear Stearns Global Turnaround Fund LP	2,794	1,889
JPEL	Black Diamond Capital Management	546	4,433
JPEL	Blackstone Real Estate Partners IV, L.P.	57	19
JPEL	Blue River Capital I, LLC	1,893	1,881
JPEL	Clearwater Capital Partners Fund I, L.P.	-	2
JPEL	Colony Investors VI, L.P.	-	46
JPEL	Double B Foods, Inc	-	37
JPEL	Esprit Capital I Fund	386	2,727
JPEL	Global Buyout Fund, L.P.	2,566	2,811
JPEL	Global Opportunistic Fund	1,807	1,807
JPEL	Gridiron Capital Fund, L.P.	405	378
JPEL	Highstar Capital III Prism Fund, L.P.	22	37
JPEL	Hupomone Capital Fund, L.P.	20	53
JPEL	Industry Ventures Fund IV, L.P	-	234
JPEL	Industry Ventures Fund V, L.P	148	45
JPEL	Leeds Equity Partners IV, L.P.	13	14
JPEL	Liberty Partners II, L.P.	2,870	2,346
JPEL	Life Sciences Holdings SPV I Fund, L.P.	5,696	6,524
JPEL	Main Street Resources I, L.P.	-	256
JPEL	Main Street Resources II, L.P.	-	521
JPEL	Markstone Capital Partners, L.P.	-	10
JPEL	Omega Fund III, L.P.	1,076	898
JPEL	Oaktree Ports America Fund (HS III), L.P.	3,914	1,670
JPEL	Private Equity Access Fund II Ltd	1,517	765
JPEL	Private Opportunity Ventures, L.P.	484	526
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	1,481	895
JPEL	Strategic Value Global Opportunities Master Fund, LP	46	45
JPEL	The Oneida Group	-	333
JPEL	Terra Firma Deutsche Annington L.P.	-	351
JPEL	Trumpet Feeder Ltd	-	238

Continued on next page

*The value attributed to BoS Mezzanine Partners, LP represents the valuation of JPEL's interest in BMML. This comprises BoS Mezzanine Partners, LP, $1,037,528 (2020: $1,557,398) and net assets of $520,935 (2020: $489,874).

**Amount includes $1.0 million of cash held at subsidiary Bear Stearns Global Turnaround Fund LP.

22. SCHEDULE OF INVESTMENTS continued

Vehicle	Investment	2021 $000's	2020 $000's
JPEL	Warburg Pincus Private Equity VIII, L.P.	-	20
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	415	589
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	1,295	1,283
JPEL Holdings	SaaS Company	2,263	2,005
JPEL Holdings	Accurate Result Investments Limited	-	-
JPEL Holdings	Tax Advisory Services Company	14,080	10,058
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	6,634	3,866
JPEL Holdings	Gulf Healthcare International LLC	1,064	1,636
JPEL Holdings	Industry Ventures Fund VI, L.P.	133	651
JPEL Holdings	MBI Holding, Inc.	-	65,028
JPEL Holdings	Milestone Investisseurs 2014 SLP	75,712	51,988
JPEL Holdings	Omega Fund IV, L.P.	2,334	959
JPEL Holdings	Placid Holdings	2,285	1,286
JPEL Holdings	Genuine Idea Investments Ltd	4,729	4,199
Total		**152,998**	**193,484**

Investment Vehicle	Abbreviation
JPEL Private Equity Limited	JPEL
Back Bay (Guernsey) Limited	Back Bay
BSPEL Australia Limited	BSPEL Aus
BSPEL Mezzanine Funding Limited	BMFL
BSPEL/Migdal Mezzanine Limited	BMML
JPEL Holdings Limited	JPEL Holdings

Information about the Company

DIRECTORS:	Sean Hurst (Chairman) (*re-elected 25 November 2020*) John Loudon (*re-elected 25 November 2020)* Christopher Spencer (*re-elected 25 November 2020)* Anthony Dalwood (*re-elected 25 November 2020*)
MANAGER (as to the Private Equity Portfolio):	FCF JPEL MANAGEMENT LLC c/o Fortress Investment Group LLC 1345 Avenue of the Americas 46th floor, New York, New York 10105 United States of America
ADMINISTRATOR AND COMPANY SECRETARY:	IQ EQ FUND SERVICES (GUERNSEY) LIMITED Ground Floor Cambridge House Le Truchot, St Peter Port Guernsey GY1 4BF
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SOLICITORS (as to English and US law):	HERBERT SMITH FREEHILLS LLP Exchange House Primrose Street London EC2A 2EG United Kingdom TRAVERS SMITH LLP 10 Snow Hill London EC1A 2AL United Kingdom
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