BETTER CAPITAL

Interim Financial Report

2017

For the six months ended
30 September 2017

BETTER CAPITAL PCC LIMITED

Better Capital PCC Limited

Better Capital PCC Limited, is a company incorporated in and controlled from Guernsey as a Protected Cell Company. There are currently two cells, being the 2009 Cell and the 2012 Cell. The ordinary shares of each cell are admitted to the Main Market operated by the London Stock Exchange plc.

The principal activity of the Company is to act as a feeder fund, through each cell, and pursue an investment objective which aims to generate attractive total returns by investing (2009 Cell through Fund I and 2012 Cell through Fund II) in a portfolio of distressed businesses, such returns being expected to accrue largely through capital growth.

Following the investment by the Cells into the Funds, the Funds invest in distressed businesses, through special purpose vehicles. The Fund GPs are the investment managers in each respective Fund and have overall responsibility for the management and administration of the businesses and affairs of the Funds, including the management of its investments and as such the Cells have no control over the investments made by the Funds.

The Company is a limited liability, Closed-ended Investment Company, which was incorporated on 24 November 2009 in Guernsey and which, by special resolution of its members, converted to a protected cell company on 12 January 2012 and on that same day changed its name from Better Capital Limited to Better Capital PCC Limited. The Company has an unlimited life and is registered with the GFSC as a Registered Closed-ended Collective Investment Scheme.

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All capitalised terms are defined within the list of definitions on page 56 unless separately defined.

Chairman's Statement

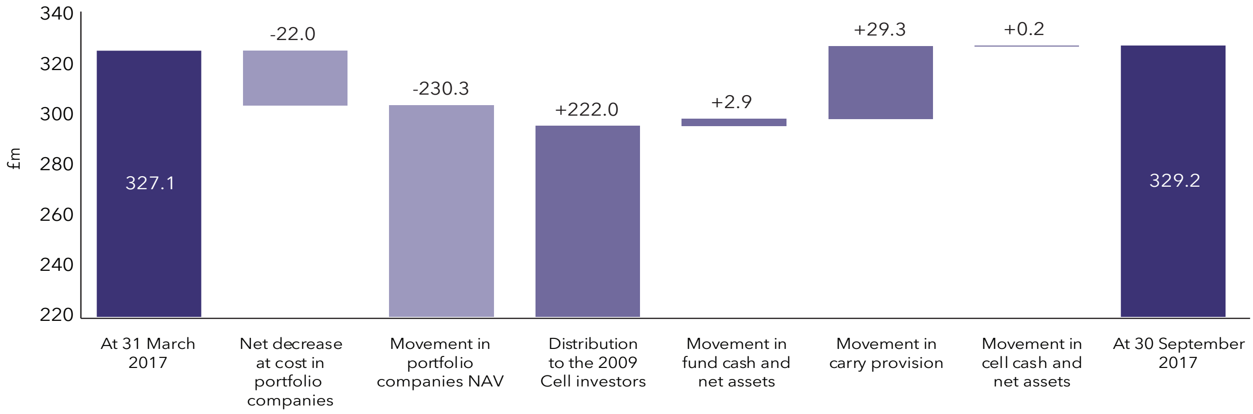
Better Capital PCC Limited, including its two cells, the 2009 Cell and the 2012 Cell, today issues its Interim Report for the six month period ended 30 September 2017.

The sale of Gardner dominated activities in the earlier part of the review period culminating in a successful exit in June 2017. With the departure of Gardner from Fund I, the 2009 Cell is now greatly reduced in size. With the Board's blessing, the Fund I GP has been working with the Consultant to explore strategies available to Fund I with a view to maximising total returns to the 2009 Cell Shareholders. This is discussed further below.

The 2012 Cell with its interest in Fund II, has experienced a further write down at the period end, but the Fund II GP believes it is clearly capable of further improvements. The Board has discussed at length with the Fund II GP regarding the strategies available; we remain wholly supportive of the Fund II GP's effort and commitment to Fund II and the 2012 Cell Shareholders.

Better Capital 2009 Cell

The 2009 Cell NAV summary is set out below.



2009 Cell

All in £million	Value at March 2017	Movement at cost	Movement in value	Value at Sept 2017	Fund cost Sept 2017
Gardner	254.1	(22.7)	(231.4)	–	–
m-hance	10.5	–	–	10.5	14.0
Omnico	20.0	0.7	1.3	22.0	41.5
SPOT	4.7	–	(0.2)	4.5	10.1
	289.3	**(22.0)**	**(230.3)**	**37.0**	**65.6**
Fund cash on deposit	1.4			3.1	
Fund & SPV combined other net assets attributable to 2009 Cell	(0.9)[1]			0.3[2]	
Provision for carried interest	(29.6)			(0.3)[3]	
2009 Cell fair value of investment in Fund I	**260.2**			**40.1**	
2009 Cell cash on deposit	0.2			0.4	
2009 Cell current assets less liabilities	(0.1)			(0.1)	
2009 Cell NAV	**260.3**			**40.4**	
2009 Cell capital distributions	66.8			288.8	
2009 Cell adjusted NAV	**327.1**			**329.2**	

[1] *Includes £225,000 of estimated net proceeds from the Fairline administration. £200,000 was received in May 2017.*

[2] *Includes £150,000 of estimated net proceeds from the Fairline administration at 30 September 2017. This was received in full in November 2017.*

[3] *Carried interest obligation of £29.6 million was paid to Better Capital SLP LP on 14 June 2017.*

The Fund I portfolio value declined by £252.3 million over the review period principally due to the sale of Gardner. The disposal enabled the return of £222.0 million to the 2009 Cell Shareholders by way of a pro-rata redemption of the 2009 Shares. The 2009 Cell NAV, including accumulated distributions of £288.8 million is broadly flat at £329.2 million (0.6 per cent. improvement in the period).

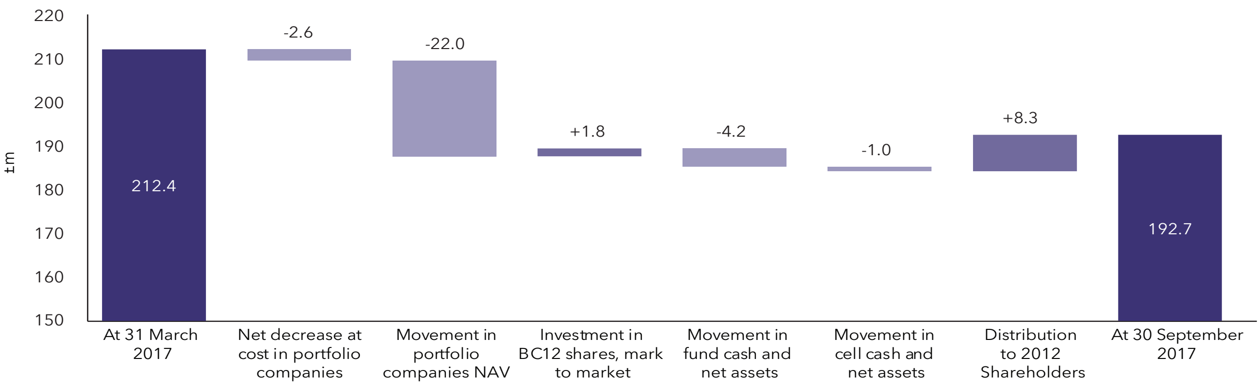
Year to date performance in m-hance has been mixed. Whilst there has been strong growth in the CRM business with significant contract wins, mainly in the NfP sector, there has been contraction in the ERP business. In addition, NetSuite opportunities have taken longer than planned to convert.

Omnico's software and services provision is growing from strength to strength. The business achieved a number of milestones during 2017, including the rollout of a major software upgrade (V6) and new products such as *omniEnable*. A key focus in 2018 is to leverage on the work already done and accelerate top line growth on the back of a strong pipeline.

SPOT, which is a minority interest in Fund I, is discussed further below. Comprehensive details on Fund I's investment activities, portfolio companies and valuation are set out in the Fund I GP's report on page 18.

Better Capital 2012 Cell

The 2012 Cell NAV summary is set out below.



2012 Cell

All in £million	Value at March 2017	Movement at cost	Movement in value	Value at Sept 2017	Fund cost Sept 2017
Everest	38.0	–	(18.0)	20.0	25.4
SPOT	47.3	(4.6)	(2.0)	40.7	91.6
Northern Aerospace	60.0	2.0	(2.0)	60.0	66.9
2012 Shares	7.9	–	1.8	9.7[2]	11.1[3]
	153.2	**(2.6)**	**(20.2)**	**130.4**	**195.0**
Fund II cash on deposit	15.2			10.2	
Fund II & SPV combined other net assets attributable to 2012 Cell	1.9[1,4]			2.7[1,4]	
2012 Cell fair value of investment in Fund II	**170.3**			**143.3**	
2012 Cell cash on deposit	0.5			0.3	
2012 Cell current assets less liabilities	1.5			0.7	
2012 Cell NAV	**172.3**			**144.3**	
2012 Cell capital distributions	40.1			48.4	
2012 Cell adjusted NAV	**212.4**			**192.7**	

[1] *Includes proceeds in escrow payable pending the resolution of legacy matters recorded as a fund receivable.*

[2] *28,548,277 2012 Shares at the closing price of 34.00p per share on 30 September 2017.*

[3] *Average cost per remaining share, 40.84p. Includes commission and levy.*

[4] *At 30 September 2017, the estimated remaining net receivable from the City Link administration is £100,000 (at 31 March 2017: £200,000). This is after accounting for receipts of £250,000 in September 2017 and a £150,000 improvement to the overall estimated outcome.*

The Company

2009 Cell

2012 Cell

The 2012 Cell NAV, including accumulated distributions of £48.4 million (13.6 per cent. of funds raised) declined by £19.7 million to £192.7 million (-9.3 per cent. in the period), principally due to write downs in Everest and to a lesser extent in SPOT. This is offset by an improvement in the mark-to-market value of the 2012 Shares (£1.8 million) and a rebate from the Fund II GP of management fees due of £0.5 million. During the period the 2012 Cell Shareholders received distributions of £8.3 million, following the realisation of the debt instruments in Jaeger.

Everest has not done well in 2017. Sales have been constrained by an inadequate installation operation for much of the year and marketing has been expensive in a competitive market. The drop in valuation reflects this but Everest remains profitable and has no external debt. Energetic improvement efforts are in train.

SPOT experienced a marked downturn in the summer, having enjoyed a good first half of 2017. Recent performance has seen improvement. It is performing well operationally and both Spicers and OfficeTeam are making significant new wins; however, both divisions are seeing lower volumes and downward pressure on margins.

Northern Aerospace has generally performed to expectations in 2017. However, sales to its largest customer seem likely to cease from the end of 2018. New business from new customers has been won and the business is hopeful of more wins which together with substantial planned business improvements gives the prospect of a reliable future.

Further details on Fund II's investment activities, portfolio companies and valuation are set out in the Fund II GP's report on page 38.

Strategic direction

The Fund I GP, through the Consultant, has been working with the Board on a range of strategies to dissolve Fund I in an orderly manner. In respect of Omnico, the Fund I GP has informed the Board that optimal value is unlikely to be attained in the short term and, rather than seek a premature exit, the Fund I GP is exploring the option of an introduction of the business to AIM, with 2009 Cell Shareholders expected to receive an in specie distribution of quoted Ominico shares. In respect of m-hance, a review of the optimal timescale for M&A activity is being considered. The Fund I GP is also seeking independent advice in respect of finding an exit route for Fund I's 9.9 per cent. holding in SPOT – which is majority owned by Fund II.

The past two years have seen a steady cutback to the team at Better Capital reflecting the Funds' lifecycles. This is set to continue over the coming months and its functions will be increasingly assumed by the General Partners of both Funds.

The Fund II GP has reiterated its commitment in respect of Fund II. To assist in this next stage, a recruitment drive is now underway to place active Chairs into certain of the Fund II businesses. Greater use of specialist external consultants is also being employed to address specific challenges within the organisations.

Richard Crowder
Chairman

30 November 2017

Statement of Responsibility and Other Information

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and
- the Interim Financial Report meets the requirements of an interim management report (as defined below), and includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first period of the financial year; and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties of the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first period of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the audited financial statements that could do so.

Interim management report

- *Important events of the interim period*

The important events that have occurred during the interim period and the key factors influencing the financial statements are all set out in this report, comprising: the Chairman's Statement, Fund I General Partner's Report, Investment Report of Fund I, Fund II General Partner's Report, Investment Report of Fund II and the Financial Statement sections.

- *Principal risks*

There are a number of risks that could have a material impact on the performance of the Company over the remaining six months of the financial year, thereby causing actual performance to differ materially from expectations.

The Board considers that the principal risks and uncertainties have not materially altered from those published in the Annual Report for the year ended 31 March 2017. The Company's principal risk relates to the financial and operational performance of the Fund I and Fund II portfolios. The Board has considered the impact of Brexit in light of each portfolio company valuation.

The Company's principal risk factors are fully discussed in the Company's prospectuses, available on the Company's website www.bettercapital.gg.

The Directors of the Company are listed on page 60 and have been directors throughout the period.

By order of the Board

Richard Crowder
Chairman

30 November 2017

Company's Independent Review Report to Better Capital PCC Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements of the Company in the interim financial report for the period ended 30 September 2017 which comprises the Company Condensed Statement of Financial Position, Company Condensed Statement of Comprehensive Income, Company Condensed Statement of Changes in Equity, Company Condensed Statement of Cash Flows and Company related notes.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The Company's condensed set of financial statements included in this interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

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

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of interim financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Company's condensed set of financial statements in the interim financial report for the six months ended 30 September 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO Limited

Chartered Accountants
Place du Pré, Rue du Pré, St Peter Port, Guernsey

30 November 2017

Condensed Statement of Financial Position

As at 30 September 2017

	Notes	As at 30 September 2017 £'000 (unaudited)	As at 30 September 2016 £'000 (unaudited)	As at 31 March 2017 £'000 (audited)
ASSETS:				
Non-current assets				
Investment in Limited Partnerships	4	183,313	448,325	430,340
Total non-current assets		**183,313**	**448,325**	**430,340**
Current assets				
Trade and other receivables	5	800	1,601	1,611
Cash and cash equivalents		713	2,160	813
Total current assets		**1,513**	**3,761**	**2,424**
TOTAL ASSETS		**184,826**	**452,086**	**432,764**
Current liabilities				
Trade and other payables		(177)	(183)	(207)
Total current liabilities		**(177)**	**(183)**	**(207)**
TOTAL LIABILITIES		**(177)**	**(183)**	**(207)**
NET ASSETS		**184,649**	**451,903**	**432,557**
EQUITY				
Share capital	7	288,950	480,064	435,436
Accumulated losses		(104,301)	(28,161)	(2,879)
TOTAL EQUITY		**184,649**	**451,903**	**432,557**
Number of 2009 Shares in issue at period/year end	**7**	**35,262,505**	**206,780,952**	**206,780,952**
Number of 2012 Shares in issue at period/year end	**7**	**318,052,242**	**346,600,520**	**318,052,242**
Net asset value per 2009 Share (pence)	**9**	**114.48**	**116.08**	**125.86**
Adjusted net asset value per 2009 Share (pence)	**9**	**159.17**	**148.38**	**158.16**
Net asset value per 2012 Share (pence)	**9**	**45.36**	**61.13**	**54.17**
Adjusted net asset value per 2012 Share (pence)	**9**	**60.57**	**62.88**	**66.78**

The unaudited condensed interim financial statements of the Company were approved and authorised for issue by the Board of Directors on 30 November 2017 and signed on their behalf by:

Richard Crowder
Chairman

Richard Battey
Director

The notes on pages 11 to 15 form an integral part of the Company's condensed interim financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 September 2017

	Notes	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Income				
Change in fair value of Investments in Limited Partnerships	4	(102,546)	(31,462)	(5,550)
Distributions		85,365	–	–
Interest income		–	2	4
Total expenses		**(17,181)**	**(31,460)**	**(5,546)**
Expenses				
Administration fees		140	125	263
Directors' fees and expenses	8	165	120	241
Legal and professional fees		68	59	301
Other fees and expenses		42	67	98
Audit fees		32	32	73
Insurance premiums		–	–	26
Registrar fees		31	28	61
Total expenses		**478**	**431**	**1,063**
Loss and total comprehensive expense for the period/year		**(17,659)**	**(31,891)**	**(6,609)**
Basic and diluted earnings per 2009 Share (pence)	**9**	**1.75**	**1.85**	**11.62**
Basic and diluted earnings per 2012 Share (pence)	**9**	**(6.21)**	**(10.30)**	**(9.05)**

All activities derive from continuing operations.

The notes on pages 11 to 15 form an integral part of the Company's condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2017

Period	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2017	**435,436**	**(2,879)**	**432,557**
Loss and total comprehensive expense for the financial period	–	(17,659)	(17,659)
Total comprehensive expense for the period	**–**	**(17,659)**	**(17,659)**
Transactions with owners			
Distributions	(146,486)	(83,763)	(230,249)
Total transactions with owners	**(146,486)**	**(83,763)**	**(230,249)**
As at 30 September 2017 (unaudited)	**288,950**	**(104,301)**	**184,649**

Period	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2016	**485,234**	**3,730**	**488,964**
Loss and total comprehensive expense for the financial period	–	(31,891)	(31,891)
Total comprehensive expense for the period	**–**	**(31,891)**	**(31,891)**
Transactions with owners			
Distributions	(5,170)	–	(5,170)
Total transactions with owners	**(5,170)**	**–**	**(5,170)**
As at 30 September 2016 (unaudited)	**480,064**	**(28,161)**	**451,903**

Period	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2016	**485,234**	**3,730**	**488,964**
Loss and total comprehensive expense for the financial year	–	(6,609)	(6,609)
Total comprehensive expense for the year	**–**	**(6,609)**	**(6,609)**
Transactions with owners			
Distributions	(39,202)	–	(39,202)
Share buyback and cancellation	(10,596)		(10,596)
Total transactions with owners	**(49,798)**	**–**	**(49,798)**
As at 31 March 2017 (audited)	**435,436**	**(2,879)**	**432,557**

The notes on pages 11 to 15 form an integral part of the Company's condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2017

	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Cash flows from operating activities			
Loss for the financial period/year	(17,659)	(31,891)	(6,609)
Adjustments for:			
Change in fair value of financial assets at fair value through profit or loss	102,546	31,462	5,550
Movement in trade and other receivables	811	32	23
Movement in trade and other payables	(30)	(40)	(16)
Repayment of loan investment in Limited Partnerships	144,481	5,174	38,474
Net cash generated from operating activities	**230,149**	**4,737**	**37,422**
Cash flow used in financing activities			
Distributions	(230,249)	(5,170)	(39,202)
Net cash used in financing activities	**(230,249)**	**(5,170)**	**(39,202)**
Net movement in cash and cash equivalents during the period/year	(100)	(433)	(1,780)
Cash and cash equivalents at the beginning of the period/year	813	2,593	2,593
Cash and cash equivalents at the end of the period/year	**713**	**2,160**	**813**

The notes on pages 11 to 15 form an integral part of the Company's condensed interim financial statements.

Notes to the Condensed Interim Financial Statements
For the six months ended 30 September 2017

1. General information

Better Capital PCC Limited is a Closed-ended Investment Company incorporated in, and controlled from Guernsey as a Protected Cell Company. It has an unlimited life and is registered with the GFSC as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law.

The Company maintains a separate cell account for each class of shares, to which the capital proceeds of issue and the income arising from the investment of these proceeds in the respective Fund are credited, and against which the expenses allocated are charged. In any redemption, shareholders are only entitled to their proportion of the net assets held in the cell relating to the particular shares.

The Company has two cells: 2009 Cell and 2012 Cell. The financial results for each cell can be found on pages 16 to 35 and on pages 36 to 55 respectively.

2. Accounting policies

Basis of preparation

The unaudited company condensed financial information included in the interim financial report for the six months ended 30 September 2017 has been prepared in accordance with the DTRs and Listing Rules of the UK's FCA and IAS 34, 'Interim Financial Reporting' as adopted by the EU.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year to 31 March 2017, which are available on the Company's website www.bettercapital.gg. The annual financial statements have been prepared in accordance with EU adopted IFRS.

The Company does not operate in an industry where significant or cyclical variations, as a result of seasonal activity, are experienced during the financial period.

The same accounting policies and methods of computation are followed in the interim financial statements as in the annual financial statements for the year to 31 March 2017.

Standards, interpretations and amendments to published standards adopted in the period

There were no new standards applied during the period ended 30 September 2017.

New and revised standards

At the date of approval of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were issued but not yet effective (and in some cases had not yet been adopted by the EU) and are relevant to the financial statements of the Company and Cells:

- IFRS 9: Financial Instruments – IFRS 9 replaces IAS 39. The Company will adopt IFRS 9 from the effective date 1 January 2018.
- IFRS 15: Revenue from contracts with customers effective 1 January 2018.

The Directors anticipate that the adoption of these standards and interpretations in the period of initial application will not have a material impact on the financial statements. IFRS 9 is not anticipated to have an impact as all investments are currently carried at fair value.

The Company has not adopted early any standards, amendments or interpretations to existing standards that have been published and will be mandatory for the Company's accounting periods beginning after 1 April 2017 or later periods.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Company, and in turn Funds I and II, have adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing these interim financial statements.

Critical accounting judgement and estimation uncertainty

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Notes to the Condensed Interim Financial Statements continued
For the six months ended 30 September 2017

2. Accounting policies (continued)
The critical accounting judgements and estimation uncertainties for the 2009 Cell and 2012 Cell are stated on pages 29 and 49 respectively.

Taxation

The Company and Cells are exempt from taxation in Guernsey.

3. Segmental reporting
For management purposes, the Company is organised into two main operating segments, being the 2009 Cell and the 2012 Cell. Full details of the 2009 Cell's and 2012 Cell's results are shown on pages 16 to 35 and 36 to 55 respectively.

4. Investment in Limited Partnerships
Total Investment:

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2017	434,734	37	434,771
Repayment of loan investment in Limited Partnerships	(144,481)	–	(144,481)
Carried forward	290,253	37	290,290
Fair value adjustment through profit or loss			
Brought forward	(4,431)	–	(4,431)
Fair value movement during period	(102,546)	–	(102,546)
Carried forward	(106,977)	–	(106,977)
Fair value as at 30 September 2017 (unaudited)	**183,276**	**37**	**183,313**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	483,805	37	483,842
Repayment of loan investment in Limited Partnerships	(5,174)	–	(5,174)
Carried forward	478,631	37	478,668
Fair value adjustment through profit or loss			
Brought forward	1,119	–	1,119
Fair value movement during period	(31,462)	–	(31,462)
Carried forward	(30,343)	–	(30,343)
Fair value as at 30 September 2016 (unaudited)	**448,288**	**37**	**448,325**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	483,805	37	483,842
Repayment of loan investment in Limited Partnerships	(49,071)	–	(49,071)
Carried forward	434,734	37	434,771
Fair value adjustment through profit or loss			
Brought forward	1,119	–	1,119
Fair value movement during year	(5,550)	–	(5,550)
Carried forward	(4,431)	–	(4,431)
Fair value as at 31 March 2017 (audited)	**430,303**	**37**	**430,340**

4. Investment in Limited Partnerships (continued)

The movement in fair value is derived from the fair value movements in the underlying investments held by Fund I and Fund II, net of income and expenses of Fund I and Fund II and their related special purpose vehicles.

The outstanding loans do not incur interest. The loans are expected to be repaid by way of distributions from the Funds. The Company is not entitled to demand repayment of the outstanding loans, however, the General Partner may, upon request by the Company, repay to the Company any amount of the outstanding loan. During the period £137 million was repaid to the Company by Fund I (Six months to 30 September 2016: £5.2 million, Year to 31 March 2017: £5.5 million) and £7.5 million by Fund II (Six months to 30 September 2016: £nil, Year to 31 March 2017: £43.6 million).

No distributions receivable from the Funds in relation to the current or comparative periods have been allocated as income based on discretionary allocation powers of the respective General Partners of the Funds as set out in the respective Limited Partnership Agreements. At the period end an aggregate £0.8 million (Six months to 30 September 2016: £1.6 million, Year to 31 March 2017: £1.6 million) remained outstanding.

In the financial statements of the Company, the fair value of the investments in Limited Partnerships are adjusted to reflect the fair value of the Cells' attributable valuation of net assets within Fund I and Fund II, as seen in more detail in Note 6.

5. Trade and other receivables

Full details of the 2012 Cell's trade and other receivables are shown on page 51.

6. Fair value

The level in the fair value hierarchy within which the financial assets or financial liabilities are categorised is determined on the basis of the lowest level of input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

– Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The only financial instruments carried at fair value are the investments in Fund I and Fund II which are fair valued at each reporting date.

The Company's investments in Fund I and Fund II have been classified within Level 3 as they have unobservable inputs and are not traded. Amounts classified as Level 3 for the period are £40.1 million for Fund I (30 September 2016: £239.9 million, 31 March 2017: £260.1 million) and £143.3 million for Fund II (30 September 2016: £208.5 million, 31 March 2017: £170.2 million).

Transfers during the period

There have been no transfers between levels during the period.

Valuation techniques

The value of the Cells' investments in the Funds is based on the value of each Cell's limited partner capital and loan accounts within each Fund. This is based on the components within the Funds, principally the value of the underlying investee companies. Any fluctuation in the value of the underlying investee companies will directly impact on the value of the Company's investment in the Funds.

6. Fair value (continued)

When valuing the underlying investee companies, the GPs of each Fund review information provided by the underlying investee companies and other business partners and apply IPEV methodologies to estimate a fair value that is in adherence to the requirements of IFRS 13 'Fair Value Measurement' as at the reporting date.

Initially acquisitions were valued at price of recent investment. Once maintainable earnings can be identified, or reasonably estimated, the preferred method of valuation is the earnings multiple valuation technique, where a multiple that is an appropriate and reasonable indicator of value (given the size, risk profile and earnings growth prospects of the underlying company) is applied to the maintainable earnings of the company. Occasionally other methods, as deemed suitable by the GPs, may be used, such as revenue multiple, net assets, break-up value or discounted cash flows. The techniques used in determining the fair value of the Cells' investments are selected on an investment by investment basis so as to maximise the use of market based observable inputs.

Fund II's investment in the shares of the 2012 Cell are valued at the quoted price.

The Board reviews and considers the fair value arrived at by the GPs before incorporating into the fair value of the investment adopted by the Company. The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the disposal of investments may differ from the fair values reflected in these interim financial statements and the differences may be significant.

The significant unobservable inputs in the 2009 Cell and in the 2012 Cell are shown on pages 32 and 52.

7. Share capital

Core shares

Period ended 30 September 2017

	£
Core shares as at 1 April 2017 and as at 30 September 2017	**100**

Period ended 30 September 2016

	£
Core shares as at 1 April 2016 and as at 30 September 2016	**100**

Year ended 31 March 2017

	£
Core shares as at 1 April 2016 and as at 31 March 2017	**100**

Cell shares

Authorised:

The Cells are authorised to issue an unlimited amount of ordinary shares at £1 par value.

Period ended 30 September 2017

	2009 Cell No.	2012 Cell No.	Total No.
Issued and fully paid:			
Unlimited shares of £1 par value			
Shares as at 1 April 2017	206,780,952	318,052,242	524,833,194
Movements for the period	(171,518,447)	–	(171,518,447)
Shares as at 30 September 2017	**35,262,505**	**318,052,242**	**353,314,747**

	£'000	£'000	£'000
Share capital			
Share capital as at 1 April 2017	138,216	297,220	435,436
Movements for the period:			
Distributions	(138,216)	(8,270)	(146,486)
Share capital as at 30 September 2017	**–**	**288,950**	**288,950**

Notes to the Condensed Interim Financial Statements continued

For the six months ended 30 September 2017

7. Share capital (continued)

Period ended 30 September 2016

	2009 Cell No.	2012 Cell No.	Total No.
Issued and fully paid:			
Unlimited shares of £1 par value			
Shares as at 1 April 2016	206,780,952	346,600,520	553,381,472
Shares as at 30 September 2016	**206,780,952**	**346,600,520**	**553,381,472**

	£'000	£'000	£'000
Share capital			
Share capital as at 1 April 2016	143,386	341,848	485,234
Movements for the period:			
Distributions	(5,170)	–	(5,170)
Share capital as at 30 September 2016	**138,216**	**341,848**	**480,064**

Year ended 31 March 2017

	2009 Cell No.	2012 Cell No.	Total No.
Issued and fully paid:			
Unlimited shares of £1 par value			
Shares as at 1 April 2016	206,780,952	346,600,520	553,381,472
Movements for the year	–	(28,548,278)	(28,548,278)
Shares as at 31 March 2017	**206,780,952**	**318,052,242**	**524,833,194**

	£'000	£'000	£'000
Share capital			
Share capital as at 1 April 2016	143,386	341,848	485,234
Movements for the year:			
Distributions	(5,170)	(34,032)	(39,202)
Buyback and cancellation	–	(10,596)	(10,596)
Share capital as at 31 March 2017	**138,216**	**297,220**	**435,436**

The five cumulative distributions to date for the 2009 Cell total £288.8 million, being 137.5 per cent. of funds raised.

The three cumulative distributions to date for the 2012 Cell totalled £48.4 million, being 13.6 per cent. of funds raised.

8. Related party transactions

The Company has four non-executive Directors. Mr Jon Moulton is a director and the sole shareholder of BECAP GP Limited, the general partner of the Fund I GP and BECAP12 GP Limited, the general partner of the Fund II GP.

Annual remuneration for each Director is as follows: the Chairman receives £70,000, the Chairman of the audit committee receives £62,500, the Chairman of the management engagement, nomination and remuneration committee receives £60,000 and the other non-executive Director receives £45,000.

Directors' fees and expenses for the period to 30 September 2017 amounted to £165,000 (31 March 2017: £241,000, 30 September 2016: £120,000), of which £59,000 (31 March 2017: £59,000, 30 September 2016: £59,000) remained outstanding at the period end.

9. Earnings per share and net asset value per share

The earnings per share, net asset value per share and adjusted net asset value per share for the 2009 Cell and 2012 Cell are shown on pages 34 and 35 and pages 54 and 55 respectively.

10. Subsequent events

Subsequent events for 2009 Cell and 2012 Cell are detailed on page 35 and page 55 respectively.

Better Capital 2009 Cell

Investment policy summary

Better Capital 2009 Cell has invested in a portfolio of businesses which, when purchased, had significant operating issues and associated financial distress, and which have significant activities within the United Kingdom.

The 2009 Cell Investment policy is set out in the Company's prospectus, available on the Company's website www.bettercapital.gg.

Key Points – 2009 Cell

£210.0 MILLION	total capital raised
£203.8 MILLION	net proceeds invested in Fund I
£222.0 MILLION / 107.35 PENCE PER SHARE	Redemption of 2009 Shares
£288.8 MILLION / 137.5 PER CENT.	cumulative distributions to date
60.6 PER CENT.	return from NAV growth and distributions since inception[1]

Key Financials	
NAV	£40.4m
NAV (including distributions)	£329.2m
NAV per share	114.48 pence
NAV per share (including distributions)	159.17 pence
NAV total return[1]	15.47 per cent.
NAV total return (including distributions)[1]	60.55 per cent.
Share price at 30 September 2017	59.00 pence
Market capitalisation at 30 September 2017	£20.8m

9	total platform investments
10	follow-on investments
4	good realisations – Gardner, Santia, ATH Coal, Calyx Managed Services
2	poor realisations – Reader's Digest, Fairline
3	remaining assets – m-hance, Omnico, SPOT[2]
6.0 YEARS	average holding period of remaining portfolio companies
£1.1 MILLION[3]	net debt across Fund I portfolio companies

1 Based on the weighted average issue price of ordinary shares and net of share issue costs, since inception

2 SPOT, a minority holding in Fund I

3 SPOT net debt (£34.1m) excluded from net debt figure

General Partner's Report

Fund I is now much smaller with the successful sale of Gardner over the summer. The key focus is to examine and execute options available to ensure an orderly disposal of the remaining assets in Fund I whilst maximising total returns to the 2009 Cell Shareholders. Options under consideration include seeking an introduction for Omnico on AIM, or similar, possibly during the course of next year.

Portfolio update

There has been mixed performance across **m-hance's** various product streams in the current FY17 financial year ending 31 December. This has resulted in a deterioration of revenue and profitability against YTD budget plans.

The ERP and development offerings are not faring as planned due to delays and uncertainty in the Microsoft product roadmap which have seen the traditional Microsoft Dynamics and development business significantly less buoyant. NetSuite has continued to make progress this year but this has been well behind the pace we would have liked.

On a positive note, m-hance's cloud based CRM services have seen marked year-on-year growth of 32 per cent. with excellent blue chip wins especially in the NfP sector where m-hance is the clear market leader. During the year the business was successful in signing up large contracts with four charities; furthermore, it is in negotiations on a preferred supplier basis with two other charities and has a healthy pipeline. This has, however, put some strain on delivery resource and necessitated additional contractor based staff to supplement the core delivery team. The significant sales wins are in part driven by GDPR but also reflect the attributes of the Microsoft product, m-hance's internally developed IP and a highly competent team. We anticipate further growth in this area as more charities look to adopt new solutions, rather than enhance existing ones to enable compliance with GDPR. In order to address the lower end of the market where similar requirements exist, NfP Essentials was launched in early November. NfP Essentials is based on the same Microsoft Dynamics cloud based platform as NfP 365 but is much more prescriptive in how it is implemented and hence can be offered at a lower cost.

The management team are constantly reviewing how best to allocate resources to support the changing market and some efficiency initiatives are planned which will further underpin FY18 performance.

The valuation for m-hance is unchanged at £10.5 million. This has been derived using an earnings approach (range of EV/EBITDA: 7.6 times to 11.8 times) on the business's maintainable earnings, supported by a revenue approach. Maintainable earnings is derived as the outturn of FY17 adjusted for planned savings under the efficiency initiatives. At 30 September 2017, the business had net debt of £0.7 million.

Unaudited full year sales and EBITDA for **Omnico's** FY17 financial year ended 30 September showed broadly flat growth in revenues at £26.0 million (audited FY16 continuing operations: £26.4 million) but a 77 per cent. growth in reported EBITDA at £2.3 million (audited FY16 continuing operations: £1.3 million). The business continues to improve, with the focus solely on software and services. Significantly, core software and services revenues increased by 11 per cent. to £23.9 million whilst hardware revenue declined by 56 per cent. to £2.1 million.

Growth in software revenues came as a result of Omnico expanding from its traditional retail market to the destinations and theme park sectors, with the business already working with seven out of the top 11 worldwide destination resorts. During FY17 major software upgrades were sold to the largest three, resulting in new software and services orders of circa £5 million. In addition, agreements were signed to provide managed services to a large UK caterer, valued at over £2 million and software upgrades to a large retailer in the Americas, valued at over USD1 million. Omnico's order book at FY17 stood at £13.0 million (FY16: £7.6 million).

During FY17 Omnico successfully launched and delivered new products, including *omniEnable* which allows easy migration from traditional fixed Point of Sale ("PoS") systems, to the various mobile and digital technologies now more favoured by consumers. Omnico's unique proposition provides a single, seamless platform across retail, food and beverage as well as loyalty, entitlements and stock fulfilment products that enhance the consumer's overall experience.

The main thrust of the Omnico strategy for FY18 is to substantially complete the transition from bespoke software offering to customisable products that lend to easier resale, either directly or via the business's global channel partners. A highly defined development roadmap is in place to capture the opportunities. Furthermore, the completion of the deployment of Omnico's integrated PoS software across all Dubai Parks and Resorts various retail and hospitality sites provides reference-ability for Omnico in the Middle East and the Asian destinations market.

The business also benefitted from additional investment of £750,000 from Fund I to support short term working capital and on-going product development.

Omnico has been written up by £2.0 million to £22.0 million, reflecting the cash injection during the period and improvement in the business's underlying performance. This is supported using an earnings approach to valuation, applying the FY17 EBITDA outturn. At 30 September, the business had net debt of £0.4 million.

An update on **SPOT**, a portfolio company 9.9 per cent. owned by Fund I, is provided in the Fund II General Partner's Report on page 38. Fund I's interest in SPOT has been written down by £0.2 million due to the below budget performance in the financial year to 31 December 2017.

Sale of Gardner and the redemption of the 2009 Shares

On 12 June 2017, Fund I completed the sale of Gardner to SLMR for £326.0 million on an Enterprise Value basis. The sale realised net proceeds to the 2009 Fund of £254.1 million, recording an IRR of 35.3 per cent. and 7 times money multiple on total investment of £41.0 million.

£222.4 million was returned to the 2009 Cell. Accordingly, this enabled the Company to effect a pro rata redemption of the 2009 Shares in July 2017 and return £222.0 million (equivalent to 107.35 pence per share) to the 2009 Cell Shareholders.

Total distributions from the 2009 Cell to investors stand at £288.8 million, a multiple of 1.4 times money raised.

Portfolio carrying value

The overall portfolio carrying value declined by £252.3 million between 1 April 2017 and 30 September 2017 due to the disposal of Gardner in June 2017. On a like-for-like basis, the portfolio carrying value grew by £1.8 million (5.1 per cent.) in the period principally due to a £2.0 million write up in Omnico, offset by a write down in SPOT of £0.2 million.

Closing remarks

We are pleased to have delivered the sale of Gardner during the period – this was a highly complex cross-border transaction and the timing was fortuitous. However, our focus has long since moved onto the remaining constituents of the now not very large Fund I. If we are successful in our efforts, Fund I will be dissolved well within the life of the fund (i.e. 31 December 2019), through multiple options currently available with the aim of maximising total returns. My team and I remain encouraged and motivated to do so.

Jon Moulton
Chairman

BECAP GP Limited

30 November 2017

Investment Report of Fund I

m-hance

Business description

Implements, deploys and manages enterprise wide business management software solutions (www.m-hance.com) (www.highcloudsolutions.co.uk)

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	14.0	14.0	14.0
Total committed	*14.0*	*14.0*	*14.0*
Fund I fair value (earnings based, supported by revenue basis)	10.5	10.5	10.5

The company received £0.4 million short term funding from Fund I in October 2017 to fund working capital.

Omnico Group

Business description

Provider of omni-channel software solutions and services to the retail, hospitality, entertainment and leisure sectors (www.omnicogroup.com)

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	41.5	40.8	40.8
Total committed	*41.5*	*40.8*	*40.8*
Fund I fair value (earnings based)	22.0	20.0	26.5

SPOT

Business description

Spicers is a leading office products and stationery wholesaler (www.spicers.co.uk)

OfficeTeam is a leading office products and services supplier (www.officeteam.co.uk)

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	10.1	10.1	10.1
Total committed	*10.1*	*10.1*	*10.1*
Fund I fair value (earnings based)	4.5	4.7	4.1

Portfolio summary

30 September 2017	Sector	Fund project cost[1] £'m	Fund fair value investment in SPVs[2] £'m	Valuation percentage of NAV	Valuation methodology
m-hance	Information Systems	14.0	10.5	26.0%	Earnings
Omnico Group	Information Systems	41.5	22.0	54.5%	Earnings
SPOT	Office Products	10.1	4.5	11.1%	Earnings
		65.6	**37.0**	**91.6%**	
Fund cash on deposit			3.1	7.6%	
Fund & SPV combined other net assets			0.3	0.7%	
Provision for carried interest			(0.3)	(0.7)%	
2009 Cell fair value of investment in Fund I			**40.1**	**99.2%**	
2009 Cell cash on deposit			0.4	1.0%	
2009 Cell other current assets less liabilities			(0.1)	(0.2)%	
2009 Cell NAV			**40.4**	**100.0%**	
Cumulative distributions			288.8		
2009 Cell Adjusted NAV			**329.2**		

Summary income statement for the Partnership

	1 Apr 2017 to 30 Sept 2017 £'000	1 Apr 2016 to 30 Sept 2016 £'000	1 Apr 2016 to 31 March 2017 £'000
Total income	231,199	33	65
Net profit on Fund I investment portfolio	(228,060)	9,059	37,496
Fund I GP's Share	(494)	(1,031)	(1,348)
Other operating (expenses)/income	(111)	9	(1,191)
Carried interest movement	(282)	(4,033)	(10,452)
Distributions	(85,365)	–	–
Partnership's operating (loss)/profit for the period/year	(83,113)	4,037	24,570
Portion of the operating (loss)/profit for the period/year for 2009 Cell's investment in the Partnership (Note 4)	**(83,113)**	**4,037**	**24,570**

1 Fund I holds its investments at cost in accordance with the terms of the Limited Partnership Agreement.

2 2009 Cell fair values its investment in Fund I in accordance with the accounting policies as set out in Note 2.

Cash management

As at 30 September 2017, Fund I had placed a total of £3.1 million (31 March 2017: £1.4 million, 30 September 2016: £1.7 million) of cash on instant access deposit with one bank. Fund I has in place a strict cash management policy that limits counterparty credit risk whilst simultaneously seeking to maximise returns.

Counterparty	Location	Moody's Rating	Term	30 September 2017 £'000	31 March 2017 £'000	30 September 2016 £'000
Barclays Bank PLC	Guernsey	A1	Instant access	3,071	1,392	1,688

Independent Review Report to Better Capital PCC Limited in respect of the 2009 Cell

Introduction

We have been engaged by the Company to review the condensed set of financial statements of the 2009 Cell, a cell of Better Capital PCC Limited, for the period ended 30 September 2017 which comprises the 2009 Cell Condensed Statement of Financial Position, the 2009 Cell Condensed Statement of Comprehensive Income, the 2009 Cell Condensed Statement of Changes in Equity, the 2009 Cell Condensed Statement of Cash Flows, and the 2009 Cell related notes.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in Note 2, the annual financial statements of the 2009 Cell are prepared in accordance with IFRS as adopted by the European Union. The 2009 Cell's condensed set of financial statements included in this interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the 2009 Cell's condensed set of financial statements in the interim financial report based on our review.

Our report, including the conclusion, has been prepared in accordance with the terms of our engagement to assist the 2009 Cell in meeting its responsibilities in respect of interim financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the 2009 Cell's condensed set of financial statements in the interim financial report for the six months ended 30 September 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO Limited
Chartered Accountants
Place du Pré, Rue du Pré, St Peter Port, Guernsey

30 November 2017

Condensed Statement of Financial Position

As at 30 September 2017

	Notes	As at 30 September 2017 £'000 (unaudited)	As at 30 September 2016 £'000 (unaudited)	As at 31 March 2017 £'000 (audited)
ASSETS:				
Non-current assets				
Investment in Limited Partnership	4	39,978	239,864	260,097
Total non-current assets		**39,978**	**239,864**	**260,097**
Current assets				
Trade and other receivables		–	–	5
Cash and cash equivalents		447	261	223
Total current assets		**447**	**261**	**228**
TOTAL ASSETS		**40,425**	**240,125**	**260,325**
Current liabilities				
Trade and other payables		(58)	(90)	(73)
Total current liabilities		**(58)**	**(90)**	**(73)**
TOTAL LIABILITIES		**(58)**	**(90)**	**(73)**
NET ASSETS		**40,367**	**240,035**	**260,252**
EQUITY				
Share capital	6	–	138,216	138,216
Retained earnings		40,367	101,819	122,036
TOTAL EQUITY		**40,367**	**240,035**	**260,252**
Number of 2009 Shares in issue at period/year end	**6**	**35,262,505**	**206,780,952**	**206,780,952**
Net asset value per 2009 Share (pence)	**8**	**114.48**	**116.08**	**125.86**
Adjusted net asset value per 2009 Share (pence)	**8**	**159.17**	**148.38**	**158.16**

The unaudited condensed interim financial statements of the 2009 Cell were approved and authorised for issue by the Company's Board of Directors on 30 November 2017 and signed on its behalf by:

Richard Crowder
Chairman

Richard Battey
Director

The notes on pages 28 to 35 form an integral part of the 2009 Cell condensed interim financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 September 2017

	Notes	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Income				
Change in fair value investment in Limited Partnership	4	(83,113)	4,037	24,570
Distributions		85,365	–	–
Total income		**2,252**	**4,037**	**24,570**
Expenses				
Administration fees		30	62	130
Directors' fees and expenses	7	66	59	119
Legal and professional fees		31	32	157
Other fees and expenses		13	31	46
Audit fees		5	16	37
Insurance premiums		–	–	13
Registrar fees		13	17	31
Total expenses		**158**	**217**	**533**
Profit and total comprehensive income for the period/year		**2,094**	**3,820**	**24,037**
Basic and diluted earnings per 2009 Share (pence)	**8**	**1.75**	**1.85**	**11.62**

All activities derive from continuing operations.

The notes on pages 28 to 35 form an integral part of the 2009 Cell condensed interim financial statements.

The Company

2009 Cell

2012 Cell

Condensed Statement of Changes in Equity

For the six months ended 30 September 2017

	Share capital £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2017	**138,216**	**122,036**	**260,252**
Profit and total comprehensive income for the financial period	–	2,094	2,094
Total comprehensive income for the period	**–**	**2,094**	**2,094**
Transactions with owners			
Distributions	(138,216)	(83,763)	(221,979)
Total transactions with owners	**(138,216)**	**(83,763)**	**(221,979)**
As at 30 September 2017 (unaudited)	**–**	**40,367**	**40,367**

	Share capital £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2016	**143,386**	**97,999**	**241,385**
Profit and total comprehensive income for the financial period	–	3,820	3,820
Total comprehensive income for the period	**–**	**3,820**	**3,820**
Transactions with owners			
Distributions	(5,170)	–	(5,170)
Total transactions with owners	**(5,170)**	**–**	**(5,170)**
As at 30 September 2016 (unaudited)	**138,216**	**101,819**	**240,035**

	Share capital £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2016	**143,386**	**97,999**	**241,385**
Profit and total comprehensive income for the financial year	–	24,037	24,037
Total comprehensive income for the year	**–**	**24,037**	**24,037**
Transactions with owners			
Distributions	(5,170)	–	(5,170)
Total transactions with owners	**(5,170)**	**–**	**(5,170)**
As at 31 March 2017 (audited)	**138,216**	**122,036**	**260,252**

The notes on pages 28 to 35 form an integral part of the 2009 Cell condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2017

	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Cash flows used in operating activities			
Profit for the financial period/year	2,094	3,820	24,037
Adjustments for:			
Change in fair value on financial assets at fair value through profit or loss	83,113	(4,037)	(24,570)
Movement in trade and other receivables	5	27	22
Movement in trade and other payables	(15)	2	(15)
Repayment of loan investment in limited partnership	137,006	5,174	5,474
Net cash generated from operating activities	**222,203**	**4,986**	**4,948**
Cash flows used in financing activities			
Distributions	(221,979)	(5,170)	(5,170)
Net cash used in financing activities	**(221,979)**	**(5,170)**	**(5,170)**
Net movement in cash and cash equivalents during the period/year	224	(184)	(222)
Cash and cash equivalents at the beginning of the period/year	223	445	445
Cash and cash equivalents at the end of the period/year	**447**	**261**	**223**

The notes on pages 28 to 35 form an integral part of the 2009 Cell condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 September 2017

1. General information

The 2009 Cell is a cell of Better Capital PCC Limited and has the investment objective of generating attractive total returns from investing (through Fund I) in a portfolio of businesses which have significant operating issues and may have associated financial distress, with a primary focus on businesses which have significant activities within the United Kingdom. Such returns are expected to be largely derived from capital growth.

Fund I is managed by its general partner, BECAP GP LP, which is in turn managed by its general partner BECAP GP Limited. Such arrangements are governed under the respective Limited Partnership Agreements, as amended.

The 2009 Cell is listed on the London Stock Exchange Main Market.

2. Accounting policies

Basis of preparation

The unaudited 2009 Cell condensed financial information included in the interim financial report for the six months ended 30 September 2017 has been prepared in accordance with the DTRs and Listing Rules of the UK's FCA and IAS 34, 'Interim Financial Reporting' as adopted by the EU.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year to 31 March 2017, which are available on the Company's website www.bettercapital.gg. The annual financial statements have been prepared in accordance with EU adopted IFRS.

The principal accounting policies adopted are set out in the Company's accounting policies on pages 11 to 12.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the 2009 Cell, and in turn Fund I, have adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the 2009 Cell. For this reason, they continue to adopt the going concern basis in preparing these interim financial statements.

2. Accounting policies (continued)

Critical accounting judgement and estimation uncertainty

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the interim financial statements are disclosed below. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

Investment in Fund I

The value of the 2009 Cell's investment in Fund I is based on the value of the 2009 Cell's limited partner capital and loan accounts within Fund I. This is based on the components within Fund I, principally the value of the underlying investee companies. Any fluctuation in the value of the underlying investee companies will directly impact on the value of the 2009 Cell's investment in Fund I.

When valuing the underlying investee companies, the General Partner of Fund I reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies, as noted on pages 32 to 33, to estimate a fair value as at the date of the statement of financial position. The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the sale of investments will likely differ from the fair values reflected in these financial statements and the differences may be significant.

Further information in relation to the valuation of the investment in Fund I is disclosed in Notes 4 and 5.

3. Segmental reporting

For management purposes, the 2009 Cell is organised into one main operating segment, which invests in one limited partnership.

4. Investment in Limited Partnership

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2017	137,006	20	137,026
Repayment of loan investment in Limited Partnership	(137,006)	–	(137,006)
Carried forward	–	20	20
Fair value adjustment through profit or loss			
Brought forward	123,071	–	123,071
Fair value movement during period	(83,113)	–	(83,113)
Carried forward	39,958	–	39,958
Fair value as at 30 September 2017 (unaudited)	**39,958**	**20**	**39,978**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	142,480	20	142,500
Repayment of loan investment in Limited Partnership	(5,174)	–	(5,174)
Carried forward	137,306	20	137,326
Fair value adjustment through profit or loss			
Brought forward	98,501	–	98,501
Fair value movement during period	4,037	–	4,037
Carried forward	102,538	–	102,538
Fair value as at 30 September 2016 (unaudited)	**239,844**	**20**	**239,864**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	142,480	20	142,500
Repayment of loan investment in Limited Partnership	(5,474)	–	(5,474)
Carried forward	137,006	20	137,026
Fair value adjustment through profit or loss			
Brought forward	98,501	–	98,501
Unrealised fair value movement during the year	24,570	–	24,570
Carried forward	123,071	–	123,071
Fair value as at 31 March 2017 (audited)	**260,077**	**20**	**260,097**

4. Investment in Limited Partnership (continued)

The movement in fair value of the Fund I investment is derived from the fair value increase in Omnico, fair value decrease in SPOT and the sale of Gardner, net of expenses of Fund I and its related special purpose vehicles.

The outstanding loans do not incur interest. The loans are expected to be repaid by way of distributions from Fund I. The 2009 Cell is not entitled to demand repayment of the outstanding loans, however the General Partner may, upon request by the Company, repay to the 2009 Cell any amount of the Cell's outstanding loan. During the period £137.0 million was repaid to the 2009 Cell by Fund I (Six months to 30 September 2016: £5.2 million, Year to 31 March 2017: £5.5 million).

In the financial statements of the 2009 Cell the fair value of the investment in the Limited Partnership is adjusted to reflect the fair value of the 2009 Cell's attributable valuation of net assets within Fund I, as seen in more detail in Note 5.

5. Fair value

The level in the fair value hierarchy within which the financial assets or financial liabilities are categorised is determined on the basis of the lowest level of input that is significant to the fair value measurement. The fair value hierarchy and further information on valuation techniques can be found in Note 6 in the Company financial statements.

5. Fair value (continued)

The following table summarises the valuation methodologies and inputs used for the 2009 Cell's Level 3 investments as at the period end:

Valuation methodology	Description	Input
Multiple **30 September 2017** m-hance Omnico SPOT **30 September 2016** Gardner m-hance Santia Omnico SPOT **31 March 2017** m-hance Omnico SPOT	Most commonly used Private Equity valuation methodology. Used for investments which are profitable and for which a set of listed companies and precedent transactions with similar characteristics can be determined Discounts to the valuation generated by applying multiples to reflect the time and costs of reaching sustainable profitability and the inevitable accompanying uncertainties	Multiples are applied to the earnings of the investee company to determine the enterprise value **Earnings** Reported earnings adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, run-rate adjustments to arrive at maintainable earnings. Most common measure is EBITDA (m-hance, Omnico, SPOT). Further information in relation to the application of earnings can be found in the Fund I GP report above **Multiples** The earnings multiple is derived from market transaction multiples (m-hance, Omnico, SPOT). The Fund I GP typically selects businesses in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus and adjust for changes in the relative performance in the set of comparables
Net Realisable Value **30 September 2017** None **30 September 2016** None **31 March 2017** Gardner	Values of separate elements prepared under other methods, as deemed suitable by the Fund I GP, such as net realisable value	Net realisable value

Notes to the Condensed Interim Financial Statements continued
For the six months ended 30 September 2017

Adjustments	Discount Rate applied to multiples	Discounted multiples	Value of portfolio valued on this basis (£'m) 30 Sept 2017	30 Sept 2016	31 Mar 2017
Relevant provisions may be deducted from the multiple valuation	A discount is applied to earnings multiples, at 20 per cent. (30 September 2016: 20 per cent. to 36 per cent., 31 March 2017: 20 per cent. to 55 per cent.)	EBITDA multiples ranging from 6.6 times to 9.6 times (30 September 2016: 6.5 times to 11.2 times, 31 March 2017: 6.6 times to 10.1 times)	37.0	261.1	35.2
As determined on a case by case basis	n/a	n/a	–	–	254.1
		Level 3 Portfolio valuation	37.0	261.1	289.3
		Other net assets/(liabilities)	3.4	1.9	0.5
		Provision for Better Capital SLP interest in Fund I	(0.3)	(23.2)	(29.6)
		2009 Cell fair value of investments in Fund I	40.1	239.8	260.2

The Company

2009 Cell

2012 Cell

5. Fair value (continued)

This approach requires the use of assumptions about certain unobservable inputs. Significant unobservable inputs as at 30 September 2017 are:

- Multiples used to derive enterprise value
- Discount factors

A reasonably possible change in the multiples used +/- 10.0 per cent. would result in:

- An increase in carrying value of £4.0 million or 10.8 per cent. (+10.0 per cent.)
- A decrease in the carrying value of £4.0 million or 10.8 per cent. (-10.0 per cent.)

A reasonably possible change in the discount factors used would be to completely remove the discount factor or to double the discount factor. This would result in:

- A decrease in carrying value of £19.1 million or 51.5 per cent. (+100.0 per cent.)
- An increase in the carrying value of £35.1 million or 94.9 per cent. (-100.0 per cent.)

The Fund I GP approves the valuations performed with input from the Consultant and monitors the range of reasonably possible changes in significant observable inputs on a regular basis.

6. Share capital

Share capital for the 2009 Cell is detailed in the relevant column in Note 7 of the Company's financial statements on pages 14 and 15.

The five cumulative distributions announced to date for the 2009 Cell total £288.8 million, being 137.5 per cent. of funds raised.

7. Related party transactions

Further information on related party transactions can be found in Note 8 of the Company financial statements on page 15.

Directors' fees and expenses, incurred by the 2009 Cell, for the period to 30 September 2017 amounted to £21,000 (year to 31 March 2017: £119,000, period to 30 September 2016: £59,000) apportioned on a NAV basis between the cells. During the period a further fee of £45,000 was paid in relation to additional work undertaken by the Directors in respect of the sale of Gardner. At the period end, £10,000 (31 March 2017: £29,000, 30 September 2016: £29,000) remained outstanding.

8. Earnings per share and net asset value per share

Earnings per share

2009 Cell	Six months to 30 September 2017 (unaudited)	Six months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Profit for the period/year	£2,093,879	£3,819,531	£24,036,173
Weighted average number of 2009 Shares in issue	119,615,839	206,780,952	206,780,952
EPS (pence)	**1.75**	**1.85**	**11.62**

The earnings per share is based on the profit or loss of the 2009 Cell for the period/year and on the weighted average number of shares of the 2009 Cell in issue for the period/year.

8. Earnings per share and net asset value per share (continued)

The 2009 Cell does not have any instruments which could potentially dilute basic earnings per share in the future.

Net asset value per share

	As at 30 September 2017 (unaudited)	As at 30 September 2016 (unaudited)	As at 31 March 2017 (audited)
Net assets attributable to 2009 Cell shareholders	£40,366,983	£240,035,635	£260,252,277
Distributions	£288,769,420	£66,790,246	£66,790,247
Adjusted Net asset value	**£329,136,403**	**£306,825,881**	**£327,042,524**
2009 Shares in issue	35,262,505	206,780,952	206,780,952
NAV per share (IFRS) (pence)	**114.48**	**116.08**	**125.86**
Adjusted NAV per share (pence)	**159.17**	**148.38**	**158.16**

The net asset value per share for the 2009 Cell is arrived at by dividing the total net assets of the 2009 Cell at the period/year end by the number of shares in issue at the period/year end.

The adjusted net asset value adds back cumulative distributions made to the 2009 Share investors to date.

The adjusted net asset value per share for the 2009 Cell is arrived at by dividing the adjusted net asset value of the 2009 Cell at the period/year end by the number of 2009 Shares in issue at the period/year end. The denominator at 30 September 2017 has been amended to add back the shares redeemed during the period.

9. Subsequent events

Fund I invested a further £400,000 short term funding in m-hance during October 2017 to fund short term working capital.

Fund I received a further £150,000 from the administration of Fairline in November 2017.

Other than the above, there were no significant events occurring after 30 September 2017.

Better Capital 2012 Cell

Investment policy summary

Better Capital 2012 Cell has invested in a portfolio of businesses which, when purchased, had significant operating issues and associated financial distress, and which have significant activities within the United Kingdom.

The 2012 Cell Investment policy is set out in the Company's prospectus, available on the Company's website www.bettercapital.gg.

Key Points – 2012 Cell

£355.5 MILLION	total capital raised
£347.4 MILLION	net proceeds invested in Fund II
£48.4 MILLION/13.6 PER CENT.	cumulative distributions to date
9.0 PER CENT.	Better Capital 2012 Shares held by Fund II
39.7 PER CENT.	value decline combined NAV and distributions since inception[1]

Key Financials	
NAV	£144.3m
NAV (including distributions)	£192.7m
NAV per share	45.36 pence
NAV per share (including distributions)	60.57 pence
NAV total decline[1]	(54.81) per cent.
NAV total decline (including distributions)[1]	(39.66) per cent.
Share price at 30 September 2017	34.00 pence
Market capitalisation at 30 September 2017	£108.1m

6	total platform investments
1	follow-on investment
1	good realisation – iNTERTAIN
2	partial losses – City Link, Jaeger
3	remaining assets – Everest, SPOT, Northern Aerospace
3.8 YEARS	average holding period of remaining portfolio companies
£26.5 MILLION[2]	net debt across Fund II portfolio companies

[1] Based on the weighted average issue price of ordinary shares and net of share issue costs, since inception

[2] Including total net debt of SPOT (£34.1m)

General Partner's Report

It is not good to have to report another disappointing performance from the constituents of Fund II, in particular Everest. Both Everest and SPOT have experienced a noticeable downturn in trading since the summer. There are also self-inflicted underperformance issues which are being addressed and improvement plans falling behind schedule. Northern Aerospace is also experiencing headwinds, with a difficult relationship with its largest customer, Airbus. Planning is now on the basis that this relationship will cease at the end of 2018, however, this has not affected the business's shorter term prospects.

Portfolio update

For **Everest**, the market continues to be competitive and there has been noticeable contraction since the summer primarily due to economic uncertainty leading to a weakening in consumer confidence. This macro factor alongside lower than planned installation efficiency has seen Everest move behind its FY17 budget ending 31 December. This is disappointing given such an improved start to the year compared to prior year. The business remains profitable and is capable of making better progress, albeit this year's results now look to close at a similar level to prior year (audited FY16 pre-exceptional EBITDA £2.4million).

Google Trends is showing a circa 4 per cent. year-on-year decline in pure volume of searches on terms such as 'double glazing', which is a significant indicator, with this decline coinciding with the decline in performance in the second half of the year. Furthermore, sales and marketing KPIs at Everest show that the market has become increasingly competitive with YTD cost to generate an online lead being 6.5 per cent. higher than prior year with core conversion to order rates at similar levels and actual core order levels some 7 per cent. lower. However, more agile promotional offerings, including the recent introduction of an Everest scrappage scheme and triple glazing offer, have helped core conversion rates remain comparable to prior year despite the turbulent market. Having introduced the new and innovative GrabLock mechanism earlier in the year, the business continues to work closely with Yale and is currently evaluating the recent launch of an electronically controlled lock.

Everest's business improvement programme continues; however, progress on improving the efficiency of the installation process is too slow. Greater focus and further resource have been applied to support the requirement for increased installation capacity and on placing greater emphasis on both efficiencies and controls in the regional installation centres in order to bring the programme back on track. The business has continued to invest in specialist knowledge and expertise and has made several key appointments in HR, Manufacturing and Engineering.

The business has entered the final stage of development for a new NetSuite finance system to replace its existing one. The system is expected to go live in January 2018 and is envisaged to make a significant difference to the speed and quality of financial reporting. In addition, it will pave the way for additional advanced manufacturing modules which will link up and increasingly automate more of the end to end processes.

Other improvement initiatives include procuring new agreements for fleet, logistics and major products supplies aimed at removing significant cost out of the supply chain whilst enhancing quality standards. A detailed review of the branch networks has also identified alternative ways to improve efficiency and better recovery rates for managing waste by changing processes within the installation centres.

There is very considerable scope to improve the conservatory business and actions are afoot to do so.

Applying an earnings approach, Everest has been written down by £18.0 million to £20.0 million reflecting weaker than expected current year EBITDA performance (range of EV/EBITDA: 5.3 times to 8.8 times). Everest has no external debt and at 30 September, it held £4.7 million of cash.

In my last report, I wrote that **Spicers OfficeTeam (SPOT)** traded profitably and was ahead for the first six months of its FY17 budget for the year ending 31 December. Since then, the office products market has experienced a challenging period of sales particularly over the summer months – the SPOT group has not been immune to this tougher environment. Consequently, SPOT has fallen behind on its budget expectations in Q3 FY17 and is likely to achieve an FY17 pre-exceptional EBITDA outturn similar to prior year (audited FY16 EBITDA: £8.9 million).

SPOT has been making a series of important upgrades to its delivery network in order to improve service quality to customers and remove redundant costs. In particular, the structure of the Smethwick Central Distribution Centre has been redeveloped to prepare for an efficient central environment to support customer pick and pack. These changes are part of the strategic direction for SPOT in order to create an infrastructure capable of delivering a highly effective low cost business to business solution.

Spicers now has a highly cost efficient position in the supply chain for business supplies resellers and has been rebuilding trust through its ability to service dealer requirements with resultant increase in sales. During YTD FY17, product availability, the main KPI, remained high through a stock build programme. We are pleased to report that Spicers is profitable and will provide a solid foundation on which to build customer service relationships. This has been underlined with a significant win as the preferred sole supplier to Advantia, a UK office products dealer group which will commence in February 2018. Key sales activity continues to revolve around the Alliance Programme which is now in operation with a growing pipeline of new customers. Alongside the Alliance Programme, a new initiative entitled Brilliant Partner has now been launched and is well received. As a Spicers Brilliant Partner, customers gain access to an increasing number of exclusive sales and marketing initiatives and these are aimed at delivering tangible benefits through reduced operating costs and duplication, rewarding loyalty and facilitating profitable sales growth.

OfficeTeam has been working hard to maintain and reinforce its position as a high service orientated business supplies company, aimed at creating a single source solution across a wide range of products and solutions. Focus this year has been on the large customers but there is a need to do more for the SME accounts, in particular to improve their online experience. SmartPad, a new portal, has been developed during the year and is due for imminent launch. Its aim is to provide an efficient and convenient solution, reducing the cost of sales whilst shifting the proposition towards services as well as fulfilment.

BECAP12 SPOT, the holding company to **SPOT**, repaid £5.0 million to Fund II (principal £4.6 million, interest £0.4 million) in April 2017, thereby reducing the fund's carrying cost in the investment to £91.6 million.

SPOT has been written down by £6.6 million to £40.7 million, reflecting the £4.6 million repayment to Fund II and the below budget performance in FY17. The valuation has been derived using an earnings basis, applied to the group's FY17 EBITDA outturn (EV/EBITDA range: 5.2 times to 8.2 times). Net debt at 30 September was £34.0 million.

Northern Aerospace Limited (NAL) continues to make generally good progress during the FY17 financial year ending 31 December and is expected to complete the year with marginally lower than budgeted EBITDA and cash flow.

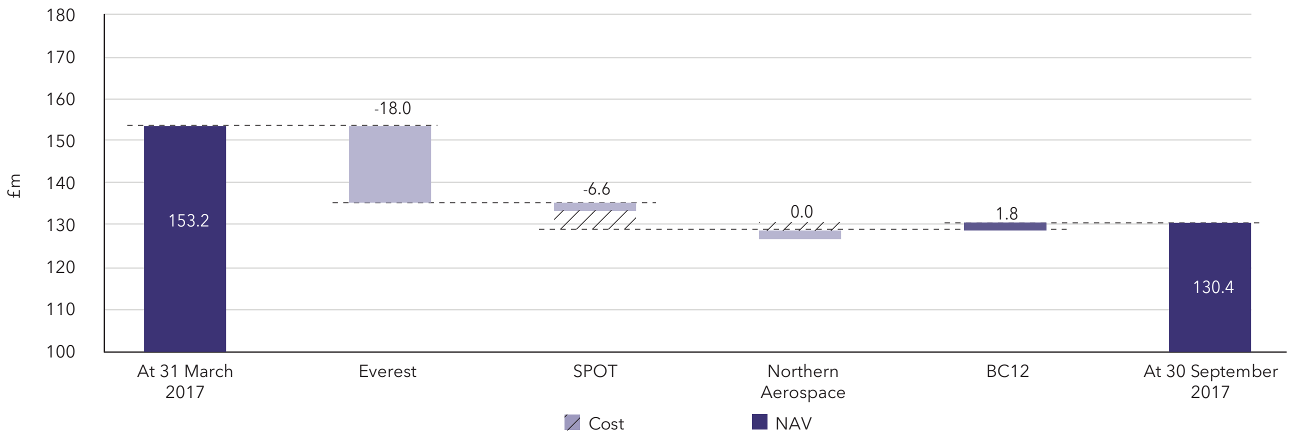
Operational performance has continued to advance despite having to adapt to cope with some customer demand headwinds. Delivery performance has improved throughout the customer base although a major customer's internal process delays and raw material changes have resulted in recent temporary, knock-on inefficiencies within the business. Improvement projects focused on scrap reduction and productivity continue to gain traction and are contributing to the positive financial metrics. A key example is the halving of the scrap rate within NAL to below 2 per cent. Other areas of focus include improving key parts of the process such as consistency of component clamping and the introduction of more modern tooling technology. Standard costing is now in place and starting to provide useful benefits. The business also recently introduced (albeit with some industrial relations issues) a new working shift pattern as well as outsourced its IT.

The implementation of the company's industrial plan continues with considerable investments during the year in the main UK facility and in Poland. Furthermore, the business recently completed the acquisition of a plot of land in Poland for new site development. The overall plan is designed to modernise and develop the technology within NAL as well as increase capacity in its low cost manufacturing base. To date all capital investments have been funded from internal cash resources. Business development is going well and new business prospects are good.

The warranty claim process is still running to its planned timelines, as reported previously. The pace of discussion has picked up and whilst it is difficult to predict the final outcome, the probability of success appears high. C Bidco Limited, the holding company of **CAV Aerospace** and NAL, received a £2.0 million investment in July 2017 to support the professional costs of the warranty claim.

NAL's valuation which includes the warranty claim is unchanged at £60.0 million, a write-down of £2.0 million when taking into account the recent funding. It is benchmarked against market comparables operating in a similar space to NAL, with EV/EBITDA trading in the range of 7.0 to 11.1 times. At

Portfolio carrying value



30 September, the business had negligible finance lease obligations and net cash of £2.8 million.

The investment portfolio value has declined by £22.8 million in the period and is summarised as follows:

	£'m
Portfolio value at 1 April 2017	153.2
Additions at cost – follow on investments	2.0
Return of cash from SPOT	(4.6)
NAV movement – portfolio companies	(22.0)
NAV movement – 2012 Shares	1.8
Portfolio value at 30 September 2017	**130.4**

The decline in the portfolio value during the period was due to significant write downs in Everest (£18.0 million) and to a much lesser extent in SPOT (£2.0 million) and Northern Aerospace (£2.0 million). The 2012 Shares benefitted from a 6.25 pence per share improvement, resulting in a NAV uplift of £1.8 million.

Distributions

Following the debt sale in Jaeger in March 2017, Fund II repaid £8.3 million to the 2012 Cell on 5 April 2017. This facilitated a third distribution to the 2012 Cell Shareholders, of 2.6 pence per share on 12 May 2017.

No further distributions are currently planned.

Rebate

During the review period, the Fund II GP granted a £0.5 million rebate against the management fee due. A similar level of rebate is planned for the remainder of the Company's financial year. Fees at the reduced NAV will thereafter continue to support the reduced team.

Closing remarks

Motivation is not lacking and efforts are renewed. The focus in the coming months is to install additional resource in the form of heavily engaged external Chairs into two of the Fund II companies to stimulate further profitable growth. Recruitment of these individuals is at an advanced stage and I hope to be able to report better news in my next report.

Jon Moulton
Chairman

BECAP12 GP Limited

30 November 2017

Investment Report of Fund II

Everest

Business description

A leading consumer brand in the manufacture, installation and supply of uPVC and aluminium windows and doors, conservatories, roofline products, garage doors, security systems, driveways and other home improvement products (www.everest.co.uk).

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	25.4	25.4	25.4
Total committed	*25.4*	*25.4*	*25.4*
Fund II fair value (earnings based)	20.0	38.0	38.0

SPOT

Business description

Spicers is a leading office products and stationery wholesaler (www.spicers.co.uk)

OfficeTeam is a leading office products and services supplier (www.officeteam.co.uk)

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	91.6	96.2	96.2
Total committed	*91.6*	*96.2*	*96.2*
Fund II fair value (earnings based)	40.7	47.3	41.9

Northern Aerospace

Business description

A leading European aerospace manufacturer of complex metallic components and sub-assemblies to major original equipment manufacturers (www.northernaerospace.com)

Investment details

£'m	30 September 2017	31 March 2017	30 September 2016
Total invested	66.9	64.9	59.0
Total committed	*66.9*	*64.9*	*59.0*
Fund II fair value (earnings and assets basis)	60.0	60.0	31.0

Portfolio summary

	Sector	Fund project cost[1] £'m	Fund fair value investment in SPVs[2] £'m	Valuation percentage of NAV	Valuation methodology
Everest	Home Improvement Products	25.4	20.0	13.9%	Earnings
SPOT	Office Products	91.6	40.7	28.2%	Earnings
Northern Aerospace	Aerospace Manufacturing	66.9	60.0	41.6%	Earnings and Assets basis
Better Capital 2012 Cell	Private Equity Investment Vehicle	11.1	9.7	6.7%	Market value
		195.0	**130.4**	**90.4%**	
Fund cash on deposit			10.2	7.1%	
Fund & SPV combined other net assets			2.7	1.9%	
2012 Cell fair value of investment in Fund II			**143.3**	**99.4%**	
2012 Cell cash on deposit			0.3	0.2%	
2012 Cell other current assets less liabilities			0.7	0.4%	
2012 Cell NAV			**144.3**	**100.0%**	
Cumulative distributions			48.4		
2012 Cell Adjusted NAV			**192.7**		

Summary income statement for the Partnership

	1 Apr 2017 to 30 Sept 2017 £'000	1 Apr 2016 to 30 Sept 2016 £'000	1 Apr 2016 to 31 March 2017 £'000
Total income	108	106	204
Net loss on Fund II investment portfolio	(18,990)	(32,593)	(25,614)
Fund II GP's Share	(444)	(2,774)	(3,291)
Other operating expenses	(107)	(238)	(1,419)
Partnership's operating loss for the period/year	(19,433)	(35,499)	(30,120)
Portion of the operating loss for the period/year for 2012 Cell's investment in the Partnership (Note 4)	**(19,433)**	**(35,499)**	**(30,120)**

[1] *Fund II holds its investments at cost in accordance with the terms of the Limited Partnership Agreement.*

[2] *2012 Cell fair values its investment in Fund II in accordance with the accounting policies as set out in Note 2.*

Cash management

As at 30 September 2017, Fund II had placed a total of £10.2 million (31 March 2017: £15.2 million, 30 September 2016: £9.3 million) of cash on instant access deposit with the following banks. Fund II has in place a strict cash management policy that limits counterparty risks whilst simultaneously seeking to maximise returns.

Counterparty	Location	Moody's Rating	Term	30 September 2017 £'000	31 March 2017 £'000	30 September 2016 £'000
Royal Bank of Scotland International Limited	Guernsey	A3	Instant access	–	9	7
Barclays Bank PLC	Guernsey	A1	Instant access	10,208	8,423	2,597
Lloyds Bank International Limited	Jersey	A1	Instant access	–	6,732	6,674
				10,208	**15,164**	**9,278**

Independent Review Report to Better Capital PCC Limited in respect of 2012 Cell

Introduction

We have been engaged by the Company to review the condensed set of financial statements of the 2012 Cell, a cell of Better Capital PCC Limited, for the period ended 30 September 2017 which comprises the 2012 Cell Condensed Statement of Financial Position, the 2012 Cell Condensed Statement of Comprehensive Income, the 2012 Cell Condensed Statement of Changes in Equity, the 2012 Cell Condensed Statement of Cash Flows and the 2012 Cell related notes.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in Note 2, the annual financial statements of the 2012 Cell are prepared in accordance with IFRS as adopted by the European Union. The 2012 Cell's condensed set of financial statements included in this interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the 2012 Cell's condensed set of financial statements in the interim financial report based on our review.

Our report, including the conclusion, has been prepared in accordance with the terms of our engagement to assist the 2012 Cell in meeting its responsibilities in respect of interim financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the 2012 Cell's condensed set of financial statements in the interim financial report for the six months ended 30 September 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO Limited
Chartered Accountants
Place du Pré, Rue du Pré, St Peter Port, Guernsey

30 November 2017

Condensed Statement of Financial Position

As at 30 September 2017

	Notes	As at 30 September 2017 £'000 (unaudited)	As at 30 September 2016 £'000 (unaudited)	As at 31 March 2017 £'000 (audited)
ASSETS:				
Non-current assets				
Investment in Limited Partnership	4	143,335	208,461	170,243
Total non-current assets		**143,335**	**208,461**	**170,243**
Current assets				
Trade and other receivables	5	822	1,601	1,606
Cash and cash equivalents		266	1,899	531
Total current assets		**1,088**	**3,500**	**2,137**
TOTAL ASSETS		**144,423**	**211,961**	**172,380**
Current liabilities				
Trade and other payables		(141)	(93)	(75)
Total current liabilities		**(141)**	**(93)**	**(75)**
TOTAL LIABILITIES		**(141)**	**(93)**	**(75)**
NET ASSETS		**144,282**	**211,868**	**172,305**
EQUITY				
Share capital	7	288,950	341,848	297,220
Accumulated losses		(144,668)	(129,980)	(124,915)
TOTAL EQUITY		**144,282**	**211,868**	**172,305**
Number of 2012 Shares in issue at period/year end	**7**	**318,052,242**	**346,600,520**	**318,052,242**
Net asset value per 2012 Share (pence)	**9**	**45.36**	**61.13**	**54.17**
Adjusted net asset value per 2012 Share (pence)	**9**	**60.57**	**62.88**	**66.78**

The unaudited condensed interim financial statements of the 2012 Cell were approved and authorised for issue by the Company's Board of Directors on 30 November 2017 and signed on its behalf by:

Richard Crowder
Chairman

Richard Battey
Director

The notes on pages 49 to 55 form an integral part of the 2012 Cell condensed interim financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 September 2017

	Notes	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Income				
Change in fair value investment in Limited Partnership	4	(19,433)	(35,499)	(30,120)
Interest income		–	2	4
Total expenses		**(19,433)**	**(35,497)**	**(30,116)**
Expenses				
Administration fees		110	63	133
Directors' fees and expenses	8	99	61	122
Legal and professional fees		37	27	144
Other fees and expenses		29	36	52
Audit fees		27	16	36
Insurance premiums		–	–	13
Registrar fees		18	11	30
Total expenses		**320**	**214**	**530**
Loss and total comprehensive expense for the financial period/year		**(19,753)**	**(35,711)**	**(30,646)**
Basic and diluted earnings per 2012 Share (pence)	**9**	**(6.21)**	**(10.30)**	**(9.05)**

All activities derive from continuing operations.

The notes on pages 49 to 55 form an integral part of the 2012 Cell condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2017

	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2017	**297,220**	**(124,915)**	**172,305**
Loss and total comprehensive expense for the financial period	–	(19,753)	(19,753)
Total comprehensive expense for the period	**–**	**(19,753)**	**(19,753)**
Transactions with owners			
Distributions	(8,270)	–	(8,270)
Total transactions with owners	**(8,270)**	**–**	**(8,270)**
As at 30 September 2017 (unaudited)	**288,950**	**(144,668)**	**144,282**

	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2016	**341,848**	**(94,269)**	**247,579**
Loss and total comprehensive expense for the financial period	–	(35,711)	(35,711)
Total comprehensive expense for the period	**–**	**(35,711)**	**(35,711)**
As at 30 September 2016 (unaudited)	**341,848**	**(129,980)**	**211,868**

	Share capital £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2016	**341,848**	**(94,269)**	**247,579**
Loss and total comprehensive expense for the financial year	–	(30,646)	(30,646)
Total comprehensive expense for the year	**–**	**(30,646)**	**(30,646)**
Transactions with owners			
Distributions	(34,032)	–	(34,032)
Share buyback and cancellation	(10,596)	–	(10,596)
Total transactions with owners	**(44,628)**	**–**	**(44,628)**
As at 31 March 2017 (audited)	**297,220**	**(124,915)**	**172,305**

There have been no transactions with owners during the period.

The notes on pages 49 to 55 form an integral part of the 2012 Cell condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2017

	Six months to 30 September 2017 £'000 (unaudited)	Six months to 30 September 2016 £'000 (unaudited)	Year ended 31 March 2017 £'000 (audited)
Cash flows from operating activities			
Loss for the financial period/year	(19,753)	(35,711)	(30,646)
Adjustments for:			
Change in fair value on financial assets at fair value through profit or loss	19,433	35,499	30,120
Movement in trade and other receivables	783	5	1
Movement in trade and other payables	65	(19)	(37)
Repayment of loan investment in limited partnership	7,477	–	33,000
Net cash generated from/(used in) operating activities	**8,005**	**(226)**	**32,438**
Cash flows used in financing activities			
Distributions	(8,270)	–	(34,032)
Net cash used in financing activities	**(8,270)**	**–**	**(34,032)**
Net movement in cash and cash equivalents during the period/year	(265)	(226)	(1,594)
Cash and cash equivalents at the beginning of the period/year	531	2,125	2,125
Cash and cash equivalents at the end of the period/year	**266**	**1,899**	**531**

The notes on pages 49 to 55 form an integral part of the 2012 Cell condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 September 2017

1. General information

The 2012 Cell is a cell of Better Capital PCC Limited and has the investment objective of generating attractive total returns from investing (through Fund II) in a portfolio of businesses which have significant operating issues and may have associated financial distress, with a primary focus on businesses which have significant activities within the United Kingdom. Such returns are expected to be largely derived from capital growth.

Fund II is managed by its general partner, BECAP12 GP LP, which is in turn managed by its general partner BECAP12 GP Limited. Such arrangements are governed under the respective Limited Partnership Agreements, as amended.

The 2012 Cell is listed on the London Stock Exchange Main Market.

2. Accounting policies

Basis of preparation

The unaudited 2012 Cell condensed financial information included in the interim financial report for the six months ended 30 September 2017 has been prepared in accordance with the DTRs and Listing Rules of the UK's FCA and IAS 34, 'Interim Financial Reporting' as adopted by the EU.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year to 31 March 2017, which are available on the Company's website www.bettercapital.gg. The annual financial statements have been prepared in accordance with EU adopted IFRS.

The principal accounting policies adopted are set out in the Company's accounting policies on pages 11 to 12.

Going concern

After making appropriate enquiries, the Company's Directors have a reasonable expectation that the 2012 Cell, and in turn Fund II, have adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the 2012 Cell. For this reason, they continue to adopt the going concern basis in preparing these interim financial statements.

Critical accounting judgement and estimation uncertainty

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the interim financial statements are disclosed below. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

Investment in Fund II

The value of the 2012 Cell's investment in Fund II is based on the value of the 2012 Cell's limited partner capital and loan accounts within Fund II. This is based on the components within Fund II, principally the value of the underlying investee companies. Any fluctuation in the value of the underlying investee companies will directly impact on the value of the 2012 Cell's investment in Fund II.

2. Accounting policies (continued)

When valuing the underlying investee companies, the General Partner of Fund II reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies, as noted on pages 52 to 53, to estimate a fair value as at the date of the statement of financial position. The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the sale of investments will likely differ from the fair values reflected in these financial statements and the differences may be significant.

Further information in relation to the valuation of the investment in Fund II is disclosed in Notes 4 and 6.

3. Segmental reporting

For management purposes, the 2012 Cell is organised into one main operating segment, which invests in one limited partnership.

4. Investment in Limited Partnership

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2017	297,728	17	297,745
Repayment of loan investment in Limited Partnership	(7,475)	–	(7,475)
Carried forward	290,253	17	290,270
Fair value adjustment through profit or loss			
Brought forward	(127,502)	–	(127,502)
Fair value movement during period	(19,433)	–	(19,433)
Carried forward	(146,935)	–	(146,935)
Fair value as at 30 September 2017 (unaudited)	**143,318**	**17**	**143,335**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	341,325	17	341,342
Carried forward	341,325	17	341,342
Fair value adjustment through profit or loss			
Brought forward	(97,382)	–	(97,382)
Fair value movement during period	(35,499)	–	(35,499)
Carried forward	(132,881)	–	(132,881)
Fair value as at 30 September 2016 (unaudited)	**208,444**	**17**	**208,461**

	Loans £'000	Capital £'000	Total £'000
Cost			
Brought forward at 1 April 2016	341,325	17	341,342
Repayment of loan investment in limited partnership	(43,597)	–	(43,597)
Carried forward	297,728	17	297,745
Fair value adjustment through profit or loss			
Brought forward	(97,382)	–	(97,382)
Fair value movement during the year	(30,120)	–	(30,120)
Carried forward	(127,502)	–	(127,502)
Fair value as at 31 March 2017 (audited)	**170,226**	**17**	**170,243**

4. Investment in Limited Partnership (continued)

The movement in fair value of the Fund II investment is derived from the write downs in Everest and SPOT net of income and expenses of Fund II and its related special purpose vehicles.

The outstanding loans do not incur interest. The loans are expected to be repaid by way of distributions from Fund II. The 2012 Cell is not entitled to demand repayment of the outstanding loans, however, the General Partner may, upon request by the Company, repay to the 2012 Cell any amount of the outstanding loan. During the period £7.5 million (Year to 31 March 2017: £43.6 million, Six months to 30 September 2016: £nil) was repaid to the 2012 Cell by Fund II.

No distributions receivable from Fund II in the current or comparative periods have been allocated as income based on the discretionary allocation powers of the General Partner of Fund II as set out in the Limited Partnership Agreement. At the period end an aggregate £0.8 million (Year to 31 March 2017: £1.6 million, Six months to 30 September 2016: £1.6 million) remained outstanding.

In the interim financial statements of the 2012 Cell the fair value of the investment in the Limited Partnership is adjusted to reflect the fair value of the 2012 Cell's attributable valuation of net assets within Fund II, as seen in more detail in Note 6.

5. Trade and other receivables

	As at 30 September 2017 £'000 (unaudited)	As at 30 September 2016 £'000 (unaudited)	As at 31 March 2017 £'000 (audited)
Debtors	822	1,601	1,600
Prepayments	–	–	6
	822	**1,601**	**1,606**

There are no past due or impaired receivable balances outstanding at the period end. The Directors consider that the carrying value of debtors and prepayments approximates their fair value.

In outstanding debtors at the period end £0.8 million (Year to 31 March 2017: £1.6 million, Six months to 30 September 2016: £1.6 million) relates to distributions receivable from Fund II. At the period end there is also an amount of £22,000 due from the 2009 Cell to the 2012 Cell.

6. Fair value

The level in the fair value hierarchy within which the financial assets or financial liabilities are categorised is determined on the basis of the lowest level of input that is significant to the fair value measurement. The fair value hierarchy and further information on valuation techniques can be found in Note 6 in the Company financial statements.

Fund II's Level 1 investment consists of 28.5 million (Year to 31 March 2017: 28.5 million, Six months to 30 September 2016: 57.1 million) shares in the 2012 Cell, which are valued at £9.7 million based on their 30 September 2017 (Year to 31 March 2017: £7.9 million, Six months to 30 September 2016: £18.8 million) quoted price.

6. Fair value (continued)

The following table summarises the valuation methodologies and inputs used for the 2012 Cell's Level 3 investments as at the period end:

Valuation methodology	Description	Input
Multiple **30 September 2017** Everest SPOT **30 September 2016** Everest SPOT iNTERTAIN Jaeger **31 March 2017** Everest SPOT	Most commonly used Private Equity valuation methodology. Used for investments which are profitable and for which a set of listed companies and precedent transactions with similar characteristics can be determined Discounts to the valuation generated by applying multiples to reflect the time and costs of reaching sustainable profitability and the inevitable accompanying uncertainties	Multiples are applied to the earnings of the investee company to determine the enterprise value **Earnings** Reported earnings adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, run-rate adjustments to arrive at maintainable earnings. Most common measure is EBITDA (Everest, SPOT). Other earnings such as revenue may also be used where relevant. Further information in relation to the application of earnings can be found in the Fund II GP report above **Multiples** The earnings multiple is derived from comparable listed companies (Everest) or relevant market transaction multiples (SPOT). The Fund II GP typically selects businesses in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus and adjust for changes in the relative performance in the set of comparables
Other **30 September 2017** Northern Aerospace **30 September 2016** City Link Northern Aerospace **31 March 2017** City Link Jaeger Northern Aerospace	Values of separate elements prepared under other methods, as deemed suitable by the Fund II GP, such as net realisable value and earnings and assets basis (Northern Aerospace)	Net realisable value, earnings and assets

Adjustments	Discount Rate applied to multiples	Discounted multiples	Value of portfolio valued on this basis (£'m) 30 Sept 2017	30 Sept 2016	31 Mar 2017
Relevant provisions may be deducted from the multiple valuation	A discount is applied to earnings multiples at 20 per cent. (30 September 2016: at 20 per cent., 31 March 2017: at 20 per cent.)	EBITDA Multiples ranging from 6.2 times to 6.6 times (30 September 2016: 0.4 times revenue and 5.8 times to 6.5 times EBITDA, 31 March 2017: 6.0 times to 8.0 times EBITDA)	60.7	147.9	85.3
As determined on a case by case basis	n/a	n/a	60.0	32.0	60.2
		Level 3 Portfolio valuation	120.7	179.9	145.5
		Level 1 Portfolio valuation	9.7	18.8	7.9
		Other net assets	12.9	9.8	16.8
		2012 Cell fair value of investments in Fund II	143.3	208.5	170.2

6. Fair value (continued)

This approach requires the use of assumptions about certain unobservable inputs. Significant unobservable inputs as at 30 September 2017 are:

– Multiples used to derive enterprise value

– Discount factors

A reasonably possible change in the multiples used +/- 10.0 per cent. would result in:

– An increase in carrying value of £8.3 million or 6.3 per cent. (+10.0 per cent.)

– A decrease in the carrying value of £8.3 million or 6.3 per cent. (-10.0 per cent.)

A reasonably possible change in the discount factors used would be to completely remove the discount factor or to double the discount factor. This would result in:

– A decrease in carrying value of £20.7 million or 15.9 per cent. (+100.0 per cent.)

– An increase in the carrying value of £20.7 million or 15.9 per cent. (-100.0 per cent.)

The Fund II GP approves the valuations performed with input from the Consultant and monitors the range of reasonably possible changes in significant observable inputs on a regular basis.

7. Share capital

Share capital for the 2012 Cell is detailed in the relevant column in Note 7 of the Company's financial statements on pages 14 and 15.

The three cumulative distributions announced to date for the 2012 Cell totalled £48.4 million, being 13.6 per cent. of funds raised.

8. Related party transactions

Further information on related party transactions can be found in Note 8 of the Company financial statements.

Directors' fees and expenses, incurred by the 2012 Cell, for the period to 30 September 2017 amounted to £99,000 (year to 31 March 2017: £122,000, period to 30 September 2016: £61,000) apportioned on a NAV basis between the Cells. At the period end, £49,000 (31 March 2017: £30,000, 30 September 2016: £30,000) remained outstanding.

9. Earnings per share and net asset value per share

Earnings per share

2012 Cell	Six months to 30 September 2017 (unaudited)	Six months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Loss for the period/year	£(19,752,711)	£(35,710,463)	£(30,645,610)
Weighted average number of 2012 Shares in issue	318,052,242	346,600,520	338,779,074
EPS (pence)	**(6.21)**	**(10.30)**	**(9.05)**

The earnings per share is based on the profit or loss of the 2012 Cell for the period/year and on the weighted average number of shares of the 2012 Cell in issue for the period/year.

9. Earnings per share and net asset value per share (continued)

The 2012 Cell does not have any instruments which could potentially dilute basic earnings per share in the future.

Net asset value per share

	As at 30 September 2017 (unaudited)	As at 30 September 2016 (unaudited)	As at 31 March 2017 (audited)
Net assets attributable to 2012 Cell shareholders	£144,281,984	£211,868,910	£172,304,053
Distributions	£48,366,457	£6,065,509	£40,097,099
Adjusted net asset value	**£192,648,441**	**£217,934,419**	**£212,401,152**
2012 Shares in issue	318,052,242	346,600,520	318,052,242
NAV per share (IFRS) (pence)	**45.36**	**61.13**	**54.17**
Adjusted NAV per share (pence)	**60.57**	**62.88**	**66.78**

The net asset value per share for the 2012 Cell is arrived at by dividing the total net assets of the 2012 Cell at the period/year end by the number of shares in issue at the period/year end.

The adjusted net asset value adds back cumulative distributions made to the 2012 Share investors to date.

The adjusted net asset value per share for the 2012 Cell is arrived at by dividing the adjusted net asset value of the 2012 Cell at the period/year end by the number of 2012 Shares in issue at the period/year end.

10. Subsequent events

There were no significant events occurring after 30 September 2017.

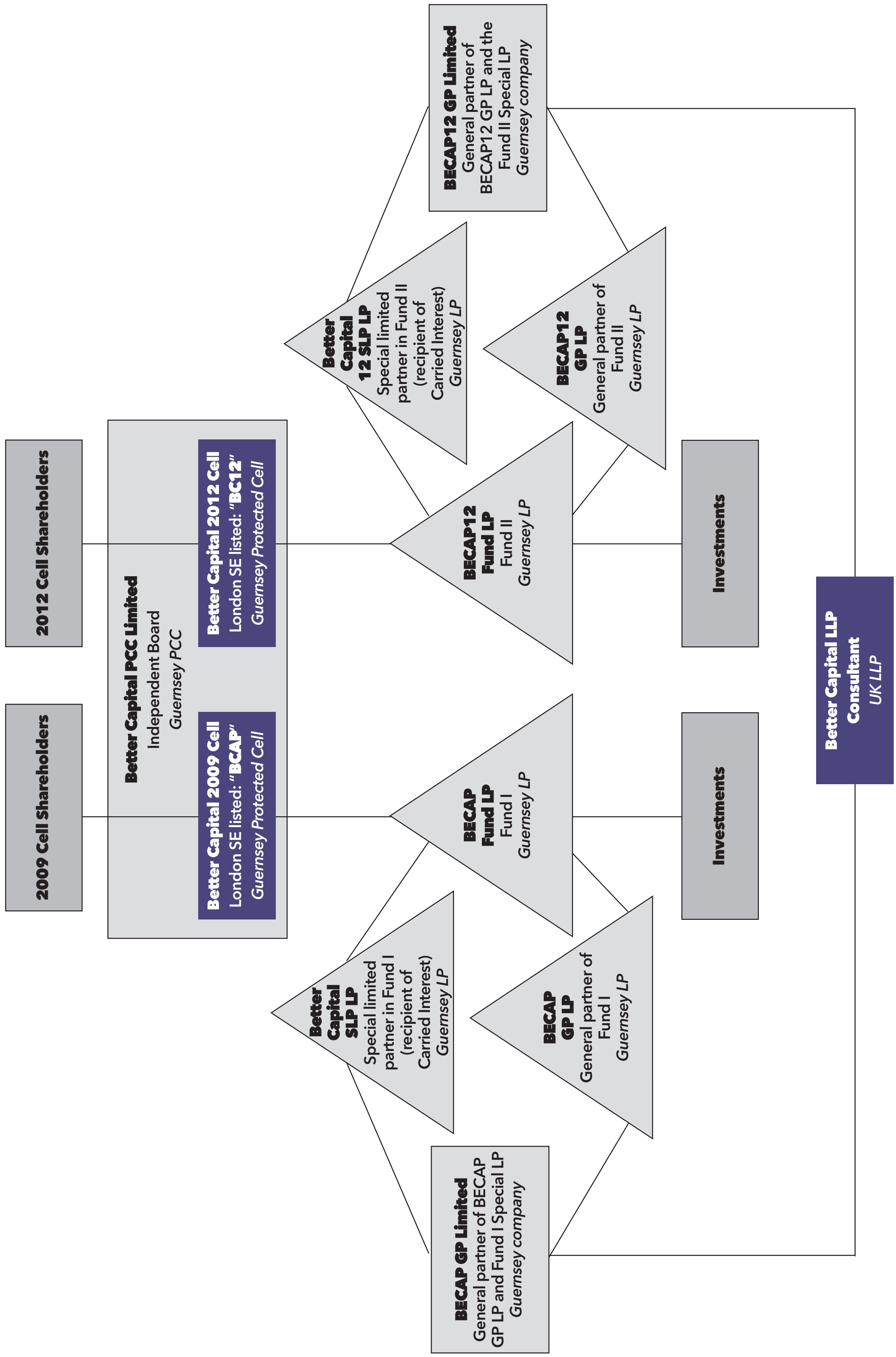
Defined Terms

"2009 Cell" or **"Better Capital 2009 Cell"**	the Cell in the Company established following the Conversion which holds partnership interests in Fund I, and is interpreted as the Company acting in its capacity as a protected cell company transacting its business in the name of the 2009 Cell;
"2009 Shares"	the ordinary shares of £1 par value in the 2009 Cell;
"2012 Cell" or **"Better Capital 2012 Cell"**	the Cell in the Company established following the Conversion which holds partnership interests in Fund II, and is interpreted as the Company acting in its capacity as a protected cell company transacting its business in the name of the 2012 Cell;
"2012 Shares"	the ordinary shares of £1 par value in the 2012 Cell issued by the Company pursuant to the Firm Placing and Placing and Open Offer;
"Administrator" or **"Heritage"** or **"HIFM"**	means Heritage International Fund Managers Limited;
"AIM"	Alternative Investment Market;
"Carried Interest"	the Special Limited Partner's entitlement to participate in the gains and profits of Fund I or Fund II, as set out in the relevant partnership agreement;
"Cells"	the 2009 Cell and 2012 Cell together;
"Cell Shares"	the 2009 Shares and 2012 Shares together;
"City Link"	means City Link Limited;
"Companies Law"	the Companies (Guernsey) Law, 2008 as amended;
"Company" or **"Better Capital PCC Limited"**	Better Capital Limited, being prior to the Conversion, a non-cellular company limited by shares and being upon and after the Conversion a protected cell company, in each case incorporated in Guernsey with registered number 51194 whose registered office is at Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY;
"Consultant"	means Better Capital LLP;
"Core"	the Company excluding its Cells;
"Core Shares"	the shares in the Core;
"Directors" or **"Board"**	the directors of the Company as at the date of this document and "Director" means any one of them;
"DTR"	Disclosure Guidance and Transparency Rules of the UK's FCA;
"EBITDA"	being earnings before interest, tax, depreciation and amortisation;
"EU" or **"European Union"**	the European Union first established by the treaty made at Maastricht on 7 February 1992;
"EU Adopted IFRS"	International Financial Reporting Standards as adopted in the EU;
"Fairline"	means the Fairline group of companies;
"FCA"	the Financial Conduct Authority;

"FCA Rules"	the rules or regulations issued or promulgated by the FCA from time to time and for the time being in force (as varied by any waiver or modification granted, or guidance given, by the FCA);
"Funds"	both Fund I and Fund II together;
"Fund GPs"	being both Fund I GP and Fund II GP;
"Fund I"	BECAP Fund LP, a Guernsey limited partnership established on 23 November 2009 and registered in Guernsey as a limited partnership on 25 November 2009 (registration number 1242);
"Fund I GP"	means BECAP GP LP acting as general partner of Fund I and by its general partner, BECAP GP Limited;
"Fund II"	BECAP12 Fund LP, a Guernsey limited partnership established and registered in Guernsey as a limited partnership on 17 November 2011 (registration number 1558);
"Fund II GP"	means BECAP12 GP LP acting as general partner of Fund II and by its general partner, BECAP12 GP Limited;
"Gardner"	Gardner Aerospace Holdings Limited;
"GDPR"	means the General Data Protection Regulations;
"General Partners" or **"GPs"**	both Fund I GP and Fund II GP together;
"General Partner's Share"	the priority profit share payable to the General Partner pursuant to the Partnership Agreement;
"IFRS"	International Financial Reporting Standards;
"iNTERTAIN"	means the iNTERTAIN group of companies;
"IPEV"	International Private Equity and Venture Capital Valuation Guidelines;
"Jaeger"	means the Jaeger group of companies;
"Listing Rules"	the listing rules made under section 73A of the FSMA (as set out in the FCA Handbook), as amended;
"London Stock Exchange"	London Stock Exchange plc;
"Main Market"	the main market of the London Stock Exchange;
"Net Asset Value" or **"NAV"**	the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board;
"NfP"	means not-for-profit;
"Northern Aerospace"	means Northern Aerospace Limited;
"OfficeTeam"	means Project Oliver Topco Limited and its subsidiaries, which together trade as OfficeTeam;
"Omnico"	means the Omnico Group of companies;
"PCC"	Protected Cell Company;

"POI Law"	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
"Prospectus"	The prospectus of the Company, most recently updated on 29 July 2013 and available on the Company's website (www.bettercapital.gg);
"Redemption"	means a compulsory pro rata redemption of the 2009 Shares;
"Redemption Date"	effective date of 28 June 2017;
"Registrar"	Capita Registrars (Guernsey) Limited;
"SLMR"	means Shaanxi Ligeance Mineral Resources Co., Ltd.;
"Spicers"	means the Spicers group of companies;
"SPOT"	means the Spicers OfficeTeam group of companies;
"UK"	United Kingdom;

Better Capital Structure Diagram



General Information

Board of Directors
Richard Crowder (Chairman)
Richard Battey
Philip Bowman
Jon Moulton

Company secretary
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2012 Cell: BC12.L

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Company Number: 51194