

**SPL ARL Private Finance (PF5) IC Limited**  
**Half-Yearly Report and Unaudited Condensed Financial Statements**

**For the six months ended 30 September 2010**

**Managed by Spearpoint Limited**

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## Investment Objective

The Investment Manager manages the Company's portfolio with a view to realising its assets within the shortest period of time consistent with achieving a reasonable realisation price for such assets and with the intention of disposing of all such assets within five years. Realisations are managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.

[www.splfunds.com](http://www.splfunds.com)

A closed-ended incorporated cell company, incorporated under  
the Incorporated Cell Companies Ordinance, 2006.

REGISTERED IN GUERNSEY No. 47352

## **Chairman's Statement**

### **Results**

The Company reported a net loss for the period ended 30 September 2010 of £1.7 million (30 September 2009: loss of £13.0 million), representing a loss per share of 2.16p (30 September 2009: loss of 16.46p per share). The NAV attributable to Participating Redeemable Preference Shares at 30 September 2010 was £41.8 million (31 March 2010: £43.5 million), 53.09p per share (31 March 2010: 55.25p per share).

### **Investments**

In the six months ended 30 September 2010, the Company had an unrealised loss of £2.2 million and a realised gain of £0.9 million on its investments.

A high proportion of the Company's assets (in particular, the shipping, property, private equity and small hedge fund assets) are illiquid and may take some time to be realised in cash. With Spearpoint, the Board has continued to try to improve the liquidity of the portfolio, but the majority of the assets are of an illiquid nature and not readily realisable. A number of the assets are considered to be unlikely to participate in much market recovery in the short term.

The Investment Manager's Report contains a summary of the performance of the investments and significant investment movements during the period.

### **The Board**

Christopher Harris was appointed to the Board of SPL Guernsey ICC Limited (the "ICC") and its Cells on 1 August 2010. Andrew Duquemin retired from the Board on 1 October 2010, following the completion of the 31 March 2010 financial statements of all of the Cells, in order to avoid any conflicts of interest, since his firm (Elysium Fund Management Limited) ("Elysium") is our new administrator. On behalf of the Board, I would like to thank Andrew for his diligent service as a Director and for his work as chairman of our Audit Committee in reviewing the financial statements of the Cells.

### **Administrator**

On 20 April 2010 the Board accepted the resignation of the previous administrator of the Company, Bordeaux Services (Guernsey) Limited, which had also provided two of the former Directors, Peter Radford and Neal Meader. That resignation was effective from 20 July 2010. Bill Scott and I subsequently interviewed six potential replacement firms and on 1 July 2010 we transferred the administration of the Company to the most suitable firm, Elysium. From 1 August 2010, Elysium has been responsible for the administration of all of the Cells and their related SPVs.

### **Past governance**

Further to what I said in the 31 March 2010 report, the new Board took over responsibility for a complex corporate structure of Cells and special purpose vehicles with cross holdings, multiple interests, separate administration of the special purpose vehicles and several layers of cost holding a diverse mix of assets, most of which are far from simple in their own right. Many of these assets were, and remain, illiquid. Some appear to be of poor quality and the Board, together with its legal advisors, is reviewing the events surrounding the past selection of those assets. Questions have been, and are being, raised with the former managers, officers and advisors in this regard. We will then consider what action would be in the best interests of Shareholders and we will keep Shareholders informed of that at appropriate stages. We have kept the Guernsey Financial Services Commission informed of our enquiries.

Working with Spearpoint, the new Board's priorities have included simplifying the structure, consolidating administration, understanding some of the history, getting management reports and management reporting lines in place with a grip on assets, instituting proper processes of corporate governance and looking carefully at areas of potential conflicts of interest.

### **Objectives**

The Board and the Spearpoint Limited (the "Investment Manager") will continue to manage the portfolio, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.

The Board's objectives have been to put in place rigorous management and administration, simplify structures, ensure that

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management and reporting are transparent, oversee a process by which the reported carrying values are fair, that management is vigorous and that there is a process to achieve liquidity and ultimately distributions to Shareholders and to ensure good corporate governance. Given the eclectic nature, mix and illiquidity of the assets we think we continue to be as well advanced in this as we can be.

### **Performance Fee**

In general we believe that it is in the best interests of Shareholders that the Company's investments are realised and cash returned to Shareholders. Consistent with this approach, and after discussion with the principal Shareholders, the Board has proposed a revised performance fee basis for the Investment Manager that will incentivise realisation and return of cash as long as that process does not undermine asset value. This revised performance fee is to be voted on at an Extraordinary General Meeting to be held on 23 December 2010. There will not be any "fire sale" of assets and all major transactions will continue to be approved by the Board.

### **Realisation of assets and cash returned to Shareholders**

Together with Spearpoint, the Board has continued to simplify the structures within SPL Guernsey ICC Limited (the "ICC"), identify readily realisable assets and get all assets properly managed with a view to realisation at the best possible value commensurate with a reasonably early return of cash to Shareholders.

Progress continues to be made in realising liquidity from assets within the Company, taking care to ensure that this is undertaken in a controlled way. There are various ways to return cash to Shareholders. Initially we focused on share buybacks but, where large cash balances are realised, we intend to use further mechanisms, such as tender offers, which will return larger amounts closer to NAV. During the period, the Company bought back 177 Participating Redeemable Preference Shares ("Shares") at an average price of 45p per share. The Board intends to buy-back further Shares as the opportunity arises.

Spearpoint is ahead of its initial plan to generate liquidity within the Company and we anticipate that more will be made available in the first half of 2011.

### **Trading on the CISX**

On 5 October 2010, the Market Authority of the CISX suspended the listing of the Company following the publication of the financial statements of the Company for the year ended 31 March 2010. Following meetings that the Company's advisers had with the Market Authority to discuss the reasons for, unusual nature, and impact, of the audit reports contained in those financial statements, on 11 October 2010, the Market Authority lifted the suspension of the listing.

### **Future policy and outlook**

Your Board has three principal objectives:

The first is to monitor the management of the remaining assets to try to preserve value for Shareholders and, in doing so, to assess the performance of the Investment Manager.

The second is to ensure that value from the assets is realised as cash and returned to Shareholders.

The third is to investigate any instances where we find that the Company has lost value through the actions of others and consider whether it is in Shareholders' interests to pursue such actions. The new Board will work in cooperation with the regulators in such matters.

Hugh Aldous  
Chairman  
10 December 2010

**Investment Manager's Report**

Spearpoint Limited was appointed to manage the Company on 1 December 2009. We played no part in the management of the portfolio prior to this date. Neither were we involved in valuing the assets or creating the net asset value calculations.

In line with the change in investment objective for the Company, approved by shareholders at the EGM vote on 28 January 2010, we have focused on an orderly realisation of the assets of the Company within the shortest period of time consistent with achieving reasonable prices and avoiding a fire sale. We have made good progress in generating cash from assets and working with the Board and Administrators of the Company to streamline administration and return capital to shareholders.

The largest exposure of the Company is to other Cells within the ICC, with SPL Private Finance (PF2) IC Limited ("PF2") representing 47% of the investment portfolio at 30 September 2010. The performance of PF2 will continue to heavily influence the results of the Company going forward. The performance of PF2 will be heavily dependent on the performance of Nautical Ventures which, in turn, represents approximately 33% of PF2's investment portfolio. The Company also has direct exposure to Nautical Ventures, representing over 9% of the Company's investment portfolio at 30 September 2010. The outcome with Nautical Ventures will, therefore, have a critical impact on the value returned to shareholders.

During 2007 and 2008, prior to Spearpoint's appointment as Investment Manager, Nautical Ventures borrowed just under US\$178 million from a number of the Cells in the ICC. The money was used to purchase a fleet of bulk carriers and product tankers, which we understand were to then undergo conversion to geared bulk carriers or to double-hull product tankers. The bulk carriers were bought at a time when that type of vessel was trading at record highs. The product tankers were single-hulled tankers and we understand that it was hoped that the conversion to double-hull would lock in a premium for those vessels. All of the vessels acquired were relatively old, with the youngest 11 years old at the time of purchase and the oldest 22 years old when purchased. The average age of the fleet is now 20 years old, which makes it difficult to obtain quality charters at a time when there is significant excess tonnage of higher quality vessels.

We understand that the conversion program was intended to add value and extend the trading life of the ageing vessels at a time that global shipping markets were especially strong, but the downturn in the shipping market, time and cost overruns in the conversions, and cash flow problems within Nautical Ventures interrupted this program. Strategy changes also delayed conversions, with only one of the vessels being converted according to the original plan. The other vessels each experienced several switches in conversion strategy and subsequent cost and time overruns. By way of example, one of the vessels was initially bought as a single-hulled tanker and commenced conversion in 2008 to a bulk carrier. In mid 2008, following the crash in the market for bulk carriers it was decided to convert the vessel into a chemical tanker. Then in late 2008 the decision was made to undo the work towards conversion to a chemical tanker and convert back to a bulk carrier. That vessel was then laid up at the end of 2008 due to cash flow problems and conversion work only recommenced in February 2010. The vessel was finally delivered as a bulk carrier in August 2010. The conversion strategy through 2008 and 2009 had severe cash flow implications for the fleet and Nautical Ventures due to higher conversion costs and lost trading days for those vessels facing extended delays in the shipyard.

Throughout 2008 and 2009 much of the interest and principal repayments were not made as they fell due but were capitalised and added to the face value of the original loans. The combination of this and currency movements meant the outstanding debt had risen to US\$215 million at the time of Spearpoint's appointment as investment manager to the Cells. As a result, we took over a loan backed by a fleet of partially converted, ageing vessels requiring further capital injection in order for it to have any hope of being successfully traded. The collateral value at the time we took over the vessels was just over US\$50 million however the likely recovery from an enforcement action at that time was much lower because of the presence of one of the vessels still in the shipyard and several others still needing some conversion works in order to continue trading. The best time for enforcement action would have been much earlier in the life of the deal, when there was significantly more collateral value than existed at the time we took on the management of the loan. Unfortunately such action was not taken and so we inherited a non-performing loan with a loan to value ratio of around 4.3 to 1. Further, the 'value' in that equation was an operating business holding impaired assets and facing significant operating cash flow problems.

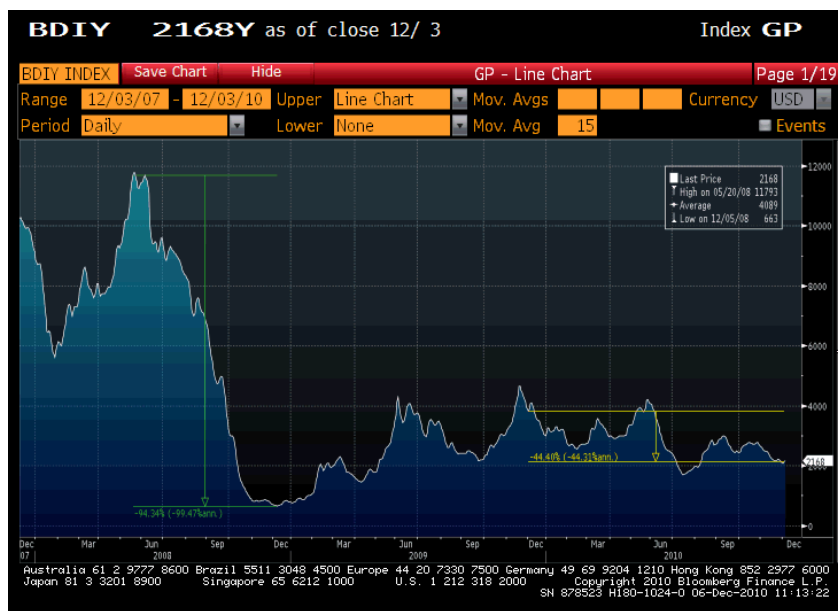
It was evident that a restructure of the loan was needed to give the structure a chance to survive and benefit from a possible improvement in the trading conditions for the vessels. The debt burden had grown to such an extent that it was unserviceable within the arrangement as it stood, particularly when market conditions were factored in. The restructuring involved writing down the face value of the existing loans and extending the repayment schedule to give it a chance to participate in a market recovery. At the time this was agreed the independent valuation of the fleet had worsened to US\$43.3 million, which was the level at which this investment was marked in the NAV of the Cells. To give the structure

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a chance to survive we made additional cash available to cover conversions and modifications, outstanding payables, and a working capital buffer to see the structure through 2010. The additional cash was advanced as a loan in addition to the written down value of the debt. In return for this Nautical Ventures made a number of its own contributions, including a commitment by the principal to inject personal money totalling US\$3 million over two years, writing off of US\$2.5 million of payables owed to the shipyard and turning the balance of shipyard payables into an interest free five year loan, and providing a corporate guarantee from the ship manager. Furthermore, we accelerated the process of strengthening financial controls and monitoring and insisted on increased ease of enforcement should the restructuring fail. The new money was put in reluctantly and with full awareness that it may be good money after bad. The alternative was worse however, because our expected recovery from an enforcement process at the time was significantly lower.

Following the restructure, we have been at pains to point out that its success, and ultimately the fate of the investment overall, rests in large part on market conditions. As the chart below highlights, from the market peak in June 2008 to trough in December 2008 c.95% was wiped off the value of the Baltic Dry Index ('BDI'). Although there was a moderate recovery in the 12 months that followed, the BDI had still only reached one third of its peak level at the time of the restructure. Since then, dry bulk rates have once again fallen and at the time of writing stand some 44% lower one year on. We have little optimism that rates will improve in the foreseeable future.

Chart One: Baltic Dry Index – December 2007 to December 2010



Tanker rates similarly plummeted during the period from June 2008 though until March 2009 which saw a c.80% decline. Although there was again a moderate recovery that followed which continued in the early post-restructure months, that has tailed off of late as shown by the below chart of the Baltic Dirty Tanker Index.

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Chart Two: Baltic Dirty Tanker Index – December 2007 to December 2010



Coupled with this lack of market recovery are the restrictions imposed on the tankers in the fleet due to their single-hull specification. Newly implemented rules have meant that single-hulled tankers are prohibited from trading in most countries forcing those in the fleet to seek contracts in areas such as West Africa where charters are typically short term and higher risk. We understand that the initial conversion strategy sought to buy the vessels 'cheaply' and convert them to double-hulled tankers, thus benefiting from this well anticipated change in regulations. However, the inability to convert the vessels through 2008 and 2009 has meant that Nautical Ventures is left with old vessels able to trade only in very limited waters. The general weakness in demand for this type of vessel has meant that Nautical Ventures' three single-hulled tankers have on average spent half of their time lying idle while new charters are sought.

Clearly, the market has not recovered following the restructure in early 2010 and in fact it has worsened slightly. The restructure has successfully seen the ships out of the shipyard and available for trading however the fleet is still not able to cover its cost of operations while also providing for Nautical Ventures' debt repayment obligations to the Cells. The fleet's obligations to other creditors continues to worsen as its cash flow problems continue. Nautical Ventures has recently suffered the arrest of a vessel and has faced the threat of arrest of a further vessel by other creditors, which signals a clear risk to the safety of the structure if further creditors come forward and seek to arrest vessels in pursuit of their claims. The build-up of payables to other creditors, coupled with our scepticism of an imminent market recovery, leaves us with the unfortunate conclusion that the restructure is in danger of failing and that some other course of action is now needed. We will not consider any further injection of funding from the Cells, so the options are either further equity injection by the owners of Nautical Ventures or some sort of enforcement process – either with the cooperation of Nautical Ventures or otherwise. An equity injection from the owners is by far our preferred outcome.

If it comes to it, any enforcement action would necessarily be a difficult and protracted process however the restructure at the start of 2010 leaves us in a significantly stronger position than we were in at the time. We negotiated superior rights in the event of enforcement during the restructure and we bought time to get the last vessel converted and out of the shipyard, removing the risk of the vessel being 'trapped' in the yard and being held hostage to other interests. Our improved monitoring and financial control processes also leave us in a much better position to pursue enforcement than would have been the case early in 2010.

We are in close discussions with Nautical Ventures and its owners as to the next course of action and we will announce the outcome of discussions to the market as soon as we are able to do so.

The Company has holdings in two classes of the Medley Opportunity Fund, which invests in a diversified portfolio of corporate credit and asset-based investments primarily in North America but with some exposure to Latin America and Asia. Both of the share classes are now in run-off as part of the un-wind of the entire fund. For much of the year the private asset-based lending market has remained weak. This has meant that many of the usual sources of refinancing have not been available to provide exits from the underlying positions. That said, we have recently begun to see some movement in the portfolio, leading to two (small in percentage terms) distributions to investors. The manager is

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optimistic of more to follow but it is likely to take three or more years before this position is fully exited.

The BMS Specialist Debt Fund is 100% owned by the Cells of the ICC and the large exposure to this fund has resulted in it being equity accounted for in these half-yearly financial statements. BMS Finance Asset Management LLP have been constructive and we are working closely with them to agree a liquidity profile. William Scott, a Director of this Company, has joined the board of the BMS Specialist Debt Fund to provide an additional layer of oversight.

The Company has a holding in Ark Royal, a fund investing primarily in life settlements and trade finance along with US and energy-related real estate. Since the suspension of the fund and subsequent decision to unwind and return capital to investors, tangible progress on the liquidation of assets has continued to be disappointing. We have continued to make known our displeasure to both the Ark Royal board and the investment manager which has at least culminated in better information flow to investors and the appointment of a new independent director. The key asset class in this fund is life insurance which makes up over half of the value of the fund, has an ongoing funding requirement and has been slow to recover post the credit crisis. The investment manager continues to work on multiple exit avenues and we wait with hope that one of these can be closed. In the meantime, we remain dissatisfied with a number of elements associated with this fund.

Pentagon Bernini is a multi-strategy investment fund which focused on structured debt, special situations and facilitation opportunities. The fund suspended and decided to begin unwinding during 2008. Due to the illiquid nature of the underlying assets, the fund has been unable to generate exits from many of the positions it holds.

Approximately 4% of the portfolio at 30 September 2010 was invested into Noble Venture Finance II Fund (“NVFII”) which is a fund specialising in providing debt to, and receiving equity rights in, venture stage companies in the UK and Europe. Combined with other Cells in the ICC, we collectively control the majority of the equity NVFII (68%). Throughout the year we have actively engaged with the board of NVFII and other shareholders to address concerns which we had in relation to the level of gearing within NVFII along with other features of the fund. The board of NVFII has agreed to a package of changes to the fund which will, subject to shareholder approval, result in a managed wind-down and realisation of the assets of the fund. In the meantime, the board of NVFII has reduced debt within the structure thus addressing our concern over excessive leverage. Since the beginning of 2010, NVFII has cancelled £59 million of debt leaving a junior debt facility of £8 million and a senior debt facility of £8 million. This reduces debt to, in our view, a more prudent level and, as part of a broader debt renegotiation with lending banks, NVFII has negotiated a waiver of a potential net tangible worth breach.

The cost structure of NVFII has been reduced by over £1 million per annum and further cost savings are possible as part of the agreed package of changes. The board of NVFII has now formally approached shareholders with a proposal to amend NVFII’s investment period so that it finishes now rather than in 2013. The package of changes was approved by a shareholder vote. The revised investment strategy is to realise existing investments (debt, equity and warrant book) over the next three years in an orderly fashion. As the term of most loans in NVFII is three years, the majority of the investments are expected to be realised naturally as companies repay loans. Once debt is fully repaid then cash flow will go to shareholders in NVFII, including the Company. As part of the restructuring of NVFII we will have the right to appoint a representative to the board and a new independent chairman will be appointed bringing, in our view, much greater transparency and a higher level of governance.

The holding in Scipion African Opportunities Fund was redeemed for dealing at the end of June 2010. A hold-up in the payout on one key deal in the fund has delayed the full pay out on the redemption but we have been receiving regular smaller payments, which, at the time of writing, total c.60% of the redemption with more advised to be on the way. If this continues, full repayment is expected to be completed by early in 2011.

SOLA is a fund investing at all levels of the capital structure in both public and private markets. After the suspension of the fund we opted to move to the unwinding share class which had a mandate to unwind over three years from March 2009 with the intention of returning approximately one third of investor capital during each of these years. Phase one of these targets was met in March 2010 and, due to improved market conditions, a further repayment was also received ahead of schedule in June 2010. The SOLA investment manager reports that conditions have remained good and they are on target to make a further distribution in the early part of 2011.

The Company holds a position in the Arch AT Marinter I & II Linked Notes. These were funding notes issued to the Company by SPL Treasury (AT1) IC Limited (“AT1”) and represent an investment into a “new build” deal in China. In total the various Companies of the SPL fund range provided funding for the building of four vessels (HF103, 104, 105 and 106). Two loan agreements were signed: the first for vessels HF103 and HF104 dated 3 August 2007 for €1,990,000 and the second for vessels HF105 and HF106 dated 23 June 2008 for €2,660,000. Both loan agreements are in default and notices of default were provided to the borrower on 16 February 2010. On behalf of the Cells we had conversations with

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both the director of the borrower, and the ship builders but both sets of negotiations ceased. We therefore began arbitration proceedings.

We filed our claim submissions for the first two of the four vessels on 5 October 2010 and received the shipyard's defence submissions on 3 November 2010. We are currently preparing our reply submissions in conjunction with our external legal counsel and these will then need to be approved and submitted by the barrister that we have retained. Once our reply submissions are filed, both parties have 21 days to file responses to an arbitration questionnaire, which deals with evidentiary matters such as disclosure and expert witnesses. Once these responses are filed, the parties then agree a timetable for the arbitration. This is an ongoing and lengthy process and we will report further news as and when we have it. In addition we are consulting with legal counsel over the possibility of initiating an action in Greece against the borrower and parties associated with the borrower. We expect a decision on this to be made imminently.

In March 2010, the Company sold its stake in Lonscale as part of an exit from the business by all of the Cells of the ICC. The Company's interest in Lonscale had been valued at zero prior to the sale because of the high levels of bank debt against the properties owned by Lonscale and the consistent operating losses generated by the business. The business was sold for £10.4 million to the then minority shareholder of Lonscale in a deal featuring part up-front and part deferred consideration. The deferred consideration is conditional and is payable over a two year period following the date of the sale. The position is valued at zero in these half-yearly financial statements because of the conditional nature of the deferred consideration, however as at the date of writing this report (23 November 2010) the Company has received £0.3 million of up-front and deferred consideration. If the Company is paid in full, we expect to receive £1.3 million over two years in total consideration for the sale. At the time of writing, all payments are up-to-date.

Aarkad plc was a fund focussing on property bridge finance in the UK which went into liquidation in Q1 2010. The liquidator is currently working through the underlying assets and to date has found a number of irregularities which are being investigated further. In September the liquidator issued a notice to advise all shareholders that it was unlikely that there would be any recovery for them directly from the portfolio. The asset has been written down to zero in accordance with this. This estimate does not take into account any realisations from proceedings that may be brought by the liquidator against third parties, although it should be noted that any possible return via this route is both unknown in terms of quantum and timescale. We are in touch with the liquidator on a regular basis.

We continue to work towards an exit from the remaining positions inherited out of the restructure of the loans to Financial Partners. The residual positions are shares in a Dubai based IFA and interest in property developments in Dubai and Hong Kong. Together they comprise a small part of the portfolio and valued at nil in these half-yearly financial statements because of the uncertainty of recovering value and the complexity of each situation.

At the date of this report the Company held one small position in another Cell of the ICC which was received in part payment of the Lonscale sale settlement. Since 31 March 2010, when the suspension of trading was lifted, we have liquidated a number of such holdings across all of the SPL fund range as we work to disentangle and simplify the overall structure. This will continue going forward but is dependent on the relevant Cells holding sufficient cash reserves in order to buy back shares either via the market or through tender offer.

John Davey  
Spearpoint Limited  
23 November 2010

**Directors' Responsibilities**

The Directors are responsible for preparing these unaudited half-yearly condensed financial statements, which have not been reviewed by an independent auditor, and are required to:

- prepare the unaudited half-yearly condensed financial statements in accordance with International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34");
- include a fair review of important events that have occurred during the six month period, and their impact on the half-yearly condensed financial statements, together with a description of the principal risks and uncertainties of the Company for the remaining six months of the financial year, as detailed in the Chairman's Statement, and, where no changes, in the notes to the financial statements for the year ended 31 March 2010; and
- include a fair review of related party transactions that have taken place during the six month period which have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related party transactions in the last annual financial statements which have had a material effect on the financial position or performance of the Company in the current period.

The Directors confirm that the unaudited half-yearly condensed financial statements comply with the above requirements.

On behalf of the Board.

Hugh Aldous  
Director  
10 December 2010

**SPL ARL Private Finance (PF5) IC Limited**

**Condensed Statement of Comprehensive Income  
for the six months ended 30 September 2010 (unaudited)**

	<i>Note</i>	<i>Six months ended 30 September 2010 (unaudited) £'000</i>	<i>Six months ended 30 September 2009 (unaudited) £'000</i>	<i>Year ended 31 March 2010 (audited) £'000</i>
<b>Income</b>				
Bank interest		-	(273)	-
Investment income		43	116	(108)
Other income		12	-	3
		-----	-----	-----
<b>Total income</b>		<b>55</b>	<b>(157)</b>	<b>(105)</b>
		-----	-----	-----
<b>Expenses</b>				
Investment management fees	6	(208)	(244)	186
Administration fees	6	(32)	(19)	(37)
Directors' fees		(21)	-	(8)
Custodian fees	6	(17)	(22)	(40)
Audit fees		(11)	(12)	(28)
Other expenses		(54)	(33)	(54)
		-----	-----	-----
<b>Total expenses</b>		<b>(343)</b>	<b>(330)</b>	<b>19</b>
<b>Investment gains and losses</b>				
Realised gains/(losses) from sale of investments	8	895	1,146	(14,741)
Movement in unrealised loss on revaluation of investments	8	(2,378)	(13,469)	(1,448)
Share of post tax profit of associate accounted for using the equity method	9	138	164	47
		-----	-----	-----
<b>Total investment losses</b>		<b>(1,345)</b>	<b>(12,159)</b>	<b>(16,142)</b>
		-----	-----	-----
<b>Net loss from operating activities before losses on foreign currency exchange</b>		<b>(1,633)</b>	<b>(12,646)</b>	<b>(16,228)</b>
		-----	-----	-----
Net foreign exchange losses		(70)	(309)	(246)
		-----	-----	-----
<b>Total comprehensive loss for the period/year attributable to holders of Participating Redeemable Preference Shares</b>		<b>(1,703)</b>	<b>(12,955)</b>	<b>(16,474)</b>
		-----	-----	-----
<b>Loss per Participating Redeemable Preference Share: basic and diluted</b>	7	<b>(2.16)p</b>	<b>(16.46)p</b>	<b>(20.92)p</b>
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*The accompanying notes on pages 14 to 19 form an integral part of these unaudited half-yearly condensed financial statements.*

*These financial statements are unaudited and are not the Company's statutory financial statements.*

*There was no other comprehensive income in the period/year.*

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**Condensed Statement of Changes in Equity**  
**Attributable to Holders of Participating Redeemable Preference Shares**  
**For the six months ended 30 September 2010 (unaudited)**

	<i>Distributable reserve £'000</i>	<i>Participating Redeemable Preference Shares £'000</i>	<i>Total £'000</i>
At 1 April 2010	(37,302)	80,800	43,498
Total comprehensive loss for the period	(1,703)	-	(1,703)
<b>At 30 September 2010</b>	<b>(39,005)</b>	<b>80,800</b>	<b>41,795</b>

**For the six months ended 30 September 2009 (unaudited)**

	<i>Distributable reserve £'000</i>	<i>Participating Redeemable Preference Shares £'000</i>	<i>Total £'000</i>
At 1 April 2009	(20,828)	80,800	59,972
Total comprehensive loss for the period	(12,955)	-	(12,955)
<b>At 30 September 2009</b>	<b>(33,783)</b>	<b>80,800</b>	<b>47,017</b>

**For the year ended 31 March 2010 (audited)**

	<i>Distributable reserve £'000</i>	<i>Participating Redeemable Preference Shares £'000</i>	<i>Total £'000</i>
At 1 April 2009	(20,828)	80,800	59,972
Total comprehensive loss for the year	(16,474)	-	(16,474)
<b>At 31 March 2010</b>	<b>(37,302)</b>	<b>80,800</b>	<b>43,498</b>

*The accompanying notes on pages 14 to 19 form an integral part of these unaudited half-yearly condensed financial statements.*

*These financial statements are unaudited and are not the Company's statutory financial statements.*

**SPL ARL Private Finance (PF5) IC Limited**

**Condensed Statement of Financial Position**  
as at 30 September 2010 (unaudited)

	<i>Note</i>	<i>30 September</i> <i>2010</i> <i>(unaudited)</i> <i>£'000</i>	<i>30 September</i> <i>2009</i> <i>(unaudited)</i> <i>£'000</i>	<i>31 March</i> <i>2010</i> <i>(audited)</i> <i>£'000</i>
<b>Current assets</b>				
Investments at fair value through profit and loss	8	6,206	-	-
Investments at cost less impairment	8	26,768	40,366	36,382
Investment in associate accounted for using the equity method	9	4,661	4,643	4,523
Receivables and prepayments	10	910	5	135
Cash and cash equivalents		3,415	2,681	2,565
		-----	-----	-----
<b>Total assets</b>		<b>41,960</b>	<b>47,695</b>	<b>43,605</b>
		-----	-----	-----
<b>Current liabilities</b>				
Net amounts due on forward foreign exchange contracts		-	(49)	-
Other payables	11	(165)	(629)	(107)
		-----	-----	-----
<b>Total liabilities</b>		<b>(165)</b>	<b>(678)</b>	<b>(107)</b>
		-----	-----	-----
<b>Net assets</b>		<b>41,795</b>	<b>47,017</b>	<b>43,498</b>
		-----	-----	-----
<b>Capital and reserves attributable to owners of the Company</b>				
Share capital – Management Shares	12	-	-	-
Participating Redeemable Preference Shares	12	80,800	80,800	80,800
Distributable reserve		(39,005)	(33,783)	(37,302)
		-----	-----	-----
<b>Total equity attributable to owners of the Company</b>		<b>41,795</b>	<b>47,017</b>	<b>43,498</b>
		-----	-----	-----
<b>Net asset value per Participating Redeemable Preference Share</b>	13	<b>53.09p</b>	<b>59.72p</b>	<b>55.25p</b>
		-----	-----	-----

*The accompanying notes on pages 14 to 19 form an integral part of these unaudited half-yearly condensed financial statements.*

*These financial statements are unaudited and are not the Company's statutory financial statements.*

**SPL ARL Private Finance (PF5) IC Limited**

**Condensed Statement of Cash Flows  
for the six months ended 30 September 2010 (unaudited)**

	<i>Note</i>	<i>Six months ended 30 September 2010 (unaudited) £'000</i>	<i>Six months ended 30 September 2009 (unaudited) £'000</i>	<i>Year ended 31 March 2010 (audited) £'000</i>
<b>Cash flows from operating activities</b>				
Total comprehensive loss for the period/year attributable to holders of Participating Redeemable Preference Shares		(1,703)	(12,955)	(16,474)
<i>Adjustments for:</i>				
Realised (gain)/loss on sale of investments	8	(895)	(1,146)	14,741
Movement in unrealised loss on revaluation of investments	8	2,378	13,469	1,448
Share of post tax profit of associate accounted for using the equity method	9	(138)	(164)	(47)
Purchase of investments		(297)	(18,607)	(28,910)
Sale proceeds from disposal of investments		1,403	20,869	31,292
		-----	-----	-----
<b>Net cash inflow from operating activities before working capital changes</b>		<b>748</b>	<b>1,466</b>	<b>2,050</b>
		-----	-----	-----
(Increase)/decrease in receivables		(7)	275	223
Increase/(decrease) in payables		58	394	(206)
		-----	-----	-----
<b>Net cash inflow from operating activities</b>		<b>799</b>	<b>2,135</b>	<b>2,067</b>
		-----	-----	-----
<b>Increase in cash and cash equivalents</b>		<b>799</b>	<b>2,135</b>	<b>2,067</b>
		-----	-----	-----
Cash and cash equivalents at beginning of period/year		2,565	524	524
Increase in cash and cash equivalents		799	2,135	2,067
Effect of exchange rates on cash and cash equivalents		51	22	(26)
		-----	-----	-----
<b>Cash and cash equivalents at end of period/year</b>		<b>3,415</b>	<b>2,681</b>	<b>2,565</b>
		-----	-----	-----

*The accompanying notes on pages 14 to 19 form an integral part of these unaudited half-yearly condensed financial statements.*

*These financial statements are unaudited and are not the Company's statutory financial statements.*

**Notes to the Half-Yearly Condensed Financial Statements  
for the six months ended 30 September 2010 (unaudited)**

**1. General information**

SPL ARL Private Finance (PF5) IC Limited (the “Company”) is an incorporated cell of SPL Guernsey ICC Limited (the “ICC”), a closed-ended incorporated cell company registered on 13 July 2007 with limited liability, domiciled in Guernsey and authorised by the Guernsey Financial Services Commission under the Incorporated Cell Companies Ordinance, 2006. On 3 February 2010, the Company changed its name from ARL Private Finance IC Limited to SPL Private Finance (PF5) IC Limited. The Company was listed on the Channel Islands Stock Exchange (the “CISX”) on 30 October 2007.

The Investment Manager manages the Company’s portfolio with a view to realising its assets within the shortest period of time, consistent with achieving a reasonable realisation price for such assets and with the intention of disposing of all such assets within five years. Realisations are managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.

**2. Statement of compliance**

These unaudited half-yearly condensed financial statements, which have not been reviewed by an independent auditor, have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s financial statements for the year ended 31 March 2010.

These unaudited half-yearly condensed financial statements were approved by the Board of Directors on 10 December 2010.

**3. Significant accounting policies**

The accounting policies adopted in the preparation of these unaudited half-yearly condensed financial statements are consistent with those followed in the preparation of the Company’s audited financial statements for the year ended 31 March 2010.

The introduction/amendment of the following standards became effective on or before 1 April 2010; however, the introduction/amendment did not have any impact on the accounting policies, financial position or performance of the Company:

- IAS 1: *Presentation of Financial Statements*
- IAS 7: *Statement of Cash Flows*
- IAS 17: *Leases*
- IAS 27: *Consolidated and Separate Financial Statements*
- IAS 28: *Investments in Associates*
- IAS 31: *Interests in Joint Ventures*
- IAS 32: *Financial Instruments: Presentation*
- IAS 36: *Impairment of Assets*
- IAS 38: *Intangible Assets*
- IAS 39: *Financial Instruments: Recognition and Measurement*
- IFRS 1: *First-Time Adoption of IFRS*
- IFRS 2: *Share-Based Payment*
- IFRS 3: *Business Combinations*
- IFRS 5: *Non-Current Assets Held for Sale and Discontinued Operations*
- IFRS 8: *Operating Segments*
- IFRIC 9: *Reassessment of Embedded Derivatives*
- IFRIC 16: *Hedges of a Net Investment in a Foreign Operation*
- IFRIC 17: *Distributions of Non-Cash Assets to Owners*
- IFRIC 18: *Transfer of Assets from Customers*

**Notes to the Half-Yearly Condensed Financial Statements (*continued*)**

**4. Significant estimates and judgements**

The preparation of financial statements involves the use of estimates and judgements. The principal estimates and judgements in the Company's financial statements involve the classification of investments between those that are measured at fair value and those that are measured at deemed cost less impairment and the estimation of impairment for those that are measured at deemed cost less impairment. There is no active market for such investments and fair value cannot be reliably measured. Consequently the estimation of impairment and carrying value involves judgement. The Directors use the most recent net asset value including those post year-end as a basis for assessing impairment. They also consider the underlying assets of the Company's investments including the extent to which they are fair valued. These assessments are often based on unaudited information as financial statements for the Company's investments are not generally available at the time of completion of the Company's own financial statements and material information about the assets and liabilities of the Company's investments may not have come to light at the time. Equally, changes in market conditions generally and in relation to specific investments may cause recoverable amounts to be different to those estimated by the Directors. These conditions give rise to uncertainty about the recoverable amounts of the Company's investments carried at cost less impairment.

The significant judgements made in applying the accounting policies and the key sources of uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2010.

**5. Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 March 2010.

**6. Material agreements**

*Investment Management*

Spearpoint Limited (the "Investment Manager") is entitled to an investment management fee equal to one twelfth of 1.50% of the Gross Asset Value of the Company as at the close of business on the last business day of the relevant calendar month (the "Valuation Point"). Gross Asset Value is defined as the aggregate value of the assets held by the Company as at the relevant Valuation Point prior to the deduction of any accrued and unpaid administration, custody or investment management fees, but after the deduction of any other accrued but unpaid fees payable by the Company and any other liabilities of the Company as at the relevant Valuation Point. Any investment into other funds managed by the Investment Manager is excluded from the calculation of investment management fees.

The investment management fee is payable monthly in arrears. In the six months ended 30 September 2010, a total of £208,000 (30 September 2009: £244,000; 31 March 2010: income of £186,000) was incurred in respect of investment management fees, of which, £101,000 was payable at the financial reporting date (30 September 2009: £201,000; 31 March 2010: £72,000).

The Investment Manager is also entitled to receive a performance fee equal to 10% of the amount by which the Company's Net Asset Value ("NAV") (adjusted for any increases or decreases arising from the issue, repurchase or redemption of Redeemable Preference Shares or distributions made to Shareholders) exceeds the greater of (i) the highest NAV per share by reference to which a performance fee has previously been paid to the Investment Manager; and (ii) the higher of (a) the prevailing NAV as at 30 November 2009 and (b) the average NAV as calculated in the period from March 2009 to November 2009 (inclusive).

In respect of the period ended 30 September 2010, no performance fee was incurred or accrued (30 September 2009: nil; 31 March 2010: nil).

The Board believes that the Investment Manager should be incentivised appropriately to maximise the returns to the Company on the sale of its investments. The existing performance fee arrangements are highly complex, subjective and do not align the Investment Manager's interests with those of the Company. Therefore, at an Extraordinary General Meeting to be held on 23 December 2010, an extraordinary resolution will be voted on by Shareholders whereby the current performance fee agreements be revised and new performance fee agreements be based on the proceeds received from the realisation of investments of the Company so that Investment Manager will be incentivised to maximise the returns on the sale of these investments.

Notes to the Half-Yearly Condensed Financial Statements (*continued*)

**6. Material agreements (*continued*)**

*Administration*

Until its resignation as CISX Listing Sponsor, Administrator and Secretary on 1 July 2010, Bordeaux Services (Guernsey) Limited (“Bordeaux”) was entitled to receive an administration fee calculated by reference to the overall NAV of the ICC, subject to a minimum fee of £40,000 per annum, pro-rated by reference to the Company’s NAV. Until Bordeaux’s resignation, £9,000 had been incurred in respect of administration and sponsor fees for the period ended 30 June 2010.

Elysium Fund Management Limited (“Elysium”) was appointed as CISX Listing Sponsor, Administrator and Secretary to the Company on 1 July 2010. Elysium is entitled to an administration fee from the Company at a rate of 0.125% of NAV on the first £100,000 of net assets and at 0.10% thereafter, per annum, subject to a minimum fee of £40,000. Elysium is also entitled to a sponsor fee of £2,000 per annum, payable quarterly in arrears.

In the six months ended 30 September 2010, a total of £32,000 (Bordeaux: £9,000; Elysium: £23,000), (30 September 2009: £19,000; 31 March 2010: £37,000) was incurred in respect of administration fees, of which, £15,000 was payable at the financial reporting date (30 September 2009: £23,000; 31 March 2010: £6,000).

*Custody*

MeesPierson (C.I.) Limited (the “Custodian”) is entitled to receive 0.075% of the Company’s NAV per annum, subject to a minimum custodian fee of £6,000 per annum. In the six months ended 30 September 2010, £17,000 (30 September 2009: £22,000; 31 March 2010: £40,000) was incurred in respect of custodian fees, of which, £5,000 was payable at the financial reporting date (30 September 2009: £21,000; 31 March 2010: £8,000).

**7. Earnings per Participating Redeemable Preference Share – basic and diluted**

The basic and diluted earnings per Participating Redeemable Preference Share are based on the net loss for the six months ended 30 September 2010 of £1,703,000 (30 September 2009: £12,955,000; 31 March 2010: £16,474,000) and on a weighted average number of 78,727,277 Participating Redeemable Preference Shares in issue throughout the period (30 September 2009 and 31 March 2010: 78,727,439 Participating Redeemable Preference Shares).

**8. Investments**

	<i>30 September</i> <i>2010</i> <i>(unaudited)</i>	<i>30 September</i> <i>2010</i> <i>(unaudited)</i>	<i>30 September</i> <i>2010</i> <i>(unaudited)</i>	<i>30 September</i> <i>2009</i> <i>(unaudited)</i>	<i>31 March</i> <i>2010</i> <i>(audited)</i>
	<i>Fair value</i> <i>through profit</i> <i>and loss</i> <i>£'000</i>	<i>Cost less</i> <i>impairment</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>	<i>Cost less</i> <i>impairment</i> <i>£'000</i>	<i>Cost less</i> <i>impairment</i> <i>£'000</i>
Opening cost	-	47,802	47,802	64,925	64,925
Purchases	-	297	297	18,607	28,910
Sales	-	(2,222)	(2,222)	(20,869)	(31,292)
Realised gains/(losses) on sale of investments	-	895	895	1,146	(14,741)
Reclassification	4,502	(4,502)	-	-	-
	-----	-----	-----	-----	-----
<b>Closing cost</b>	<b>4,502</b>	<b>42,270</b>	<b>46,772</b>	<b>63,809</b>	<b>47,802</b>
Closing unrealised gain/(loss) on investments	1,704	(15,502)	(13,798)	(23,443)	(11,420)
	-----	-----	-----	-----	-----
<b>Closing valuation</b>	<b>6,206</b>	<b>26,768</b>	<b>32,974</b>	<b>40,366</b>	<b>36,382</b>
	-----	-----	-----	-----	-----

During the period, the Board felt that inputs into the valuation of certain investments became more reliable and therefore reclassified those investments as “fair value through profit or loss”.

Notes to the Half-Yearly Condensed Financial Statements (*continued*)

**9. Investment in associate accounted for using the equity method**

The investment accounted for using the equity method relates to an investment in BMS Specialist Debt Fund Limited (“BMS”). At the period end, the Company held 32.18% of the nominal share capital of BMS. BMS is a closed-ended collective investment scheme registered in Guernsey.

The Company’s share of BMS’s statement of financial position is as follows:

	<i>30 September 2010</i> <i>(unaudited)</i> £'000	<i>30 September 2009</i> <i>(unaudited)</i> £'000	<i>31 March 2010</i> <i>(audited)</i> £'000
Non-current assets	-	-	1,494
Current assets	4,692	5,326	3,339
	-----	-----	-----
<b>Share of gross assets</b>	<b>4,692</b>	<b>5,326</b>	<b>4,833</b>
	-----	-----	-----
Current liabilities	(31)	(178)	(310)
Non-current liabilities	-	(505)	-
	-----	-----	-----
<b>Share of gross liabilities</b>	<b>(31)</b>	<b>(683)</b>	<b>(310)</b>
	-----	-----	-----
<b>Share of net assets</b>	<b>4,661</b>	<b>4,643</b>	<b>4,523</b>
	-----	-----	-----

**9. Investment in associate accounted for using the equity method (*continued*)**

The Company’s share of BMS’s profits are as follows:

	<i>30 September 2010</i> <i>(unaudited)</i> £'000	<i>30 September 2009</i> <i>(unaudited)</i> £'000	<i>31 March 2010</i> <i>(audited)</i> £'000
Income	337	308	691
Expenses	(199)	(144)	(644)
	-----	-----	-----
Profit for the period/year	<b>138</b>	<b>164</b>	<b>47</b>
	-----	-----	-----

**10. Receivables and prepayments**

	<i>30 September 2010</i> <i>(unaudited)</i> £'000	<i>30 September 2009</i> <i>(unaudited)</i> £'000	<i>31 March 2010</i> <i>(audited)</i> £'000
Amounts due from sale of investments	900	-	132
Other receivable and prepayments	10	5	3
	-----	-----	-----
<b>Receivables and prepayments</b>	<b>910</b>	<b>5</b>	<b>135</b>
	-----	-----	-----

**SPL ARL Private Finance (PF5) IC Limited**

**Notes to the Half-Yearly Condensed Financial Statements (*continued*)**

**11. Other payables**

	<i>30 September 2010</i> <i>(unaudited)</i> £'000	<i>30 September 2009</i> <i>(unaudited)</i> £'000	<i>31 March 2010</i> <i>(audited)</i> £'000
Investment creditors	-	364	-
Investment management fees	101	201	72
Audit fees	23	19	21
Administration fees	15	23	6
Directors' fees	14	1	-
Custodian fees	5	21	8
Other payables	7	-	-
	-----	-----	-----
<b>Other payables</b>	<b>165</b>	<b>629</b>	<b>107</b>
	-----	-----	-----

**12. Share capital**

	<i>30 September 2010</i> <i>(unaudited)</i> £	<i>30 September 2009</i> <i>(unaudited)</i> £	<i>31 March 2010</i> <i>(audited)</i> £
<b>Authorised:</b>			
Management Shares of £1 each	2	2	2
Unlimited unclassified Shares of no par value that may be issued as Participating Redeemable Preference Shares	-	-	-
	-----	-----	-----
	<b>2</b>	<b>2</b>	<b>2</b>
	-----	-----	-----

**12. Share capital (*continued*)**

**Issued:**

**i) Management Shares**

	<i>30 September 2010</i> <i>(unaudited)</i>		<i>30 September 2009</i> <i>(unaudited)</i>		<i>31 March 2010</i> <i>(audited)</i>	
	<i>Number</i>	£	<i>Number</i>	£	<i>Number</i>	£
Opening and closing balance	2	2	2	2	2	2
	-----	-----	-----	-----	-----	-----

**ii) Participating Redeemable Preference Shares**

	<i>30 September 2010</i> <i>(unaudited)</i>		<i>30 September 2009</i> <i>(unaudited)</i>		<i>31 March 2010</i> <i>(audited)</i>	
	<i>Number</i>	£'000	<i>Number</i>	£'000	<i>Number</i>	£'000
Opening balance	78,727,439	80,800	78,727,439	80,800	78,727,439	80,800
Purchase and cancellation of Participating Redeemable Preference Shares	(177)	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
<b>Closing balance</b>	<b>78,727,262</b>	<b>80,800</b>	<b>78,727,439</b>	<b>80,800</b>	<b>78,727,439</b>	<b>80,800</b>
	-----	-----	-----	-----	-----	-----

## Notes to the Half-Yearly Condensed Financial Statements (*continued*)

### 13. Net asset value per Participating Redeemable Preference Share

The net asset value per Participating Redeemable Preference Share is based on the net assets attributable to holders of each Participating Redeemable Preference Share of £41,795,000 (30 September 2009: £47,017,000; 31 March 2010: £43,498,000) and on 78,727,262 Participating Redeemable Preference Shares in issue at the end of the period (30 September 2009 and 31 March 2010: 78,727,439).

### 14. Segmental analysis

In accordance with IFRS 8: *Operating Segments*, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance and to allocate resources to them.

The Board has identified that the Company has one operating segment, being investment in equity securities and debt instruments. Management information for the Company as a whole is provided internally to the Board for decision-making purposes. The asset allocation decisions are based on a single integrated portfolio.

There were no changes in the reportable segments during the period ended 30 September 2010.

The financial results from this segment are equivalent to the financial results of the Company as a whole.

### 15. Related parties

The relationships between the Company, Spearpoint Limited and Elysium Fund Management Limited are disclosed in note 6. Also disclosed in note 6 are the transactions between the Company and the previous Administrator, Secretary and CISX Listing Sponsor, Bordeaux Services (Guernsey) Limited.

### 16. Contingent assets and liabilities

There were no contingent assets or contingent liabilities during the period or in existence at the period end (30 September 2009 and 31 March 2010: nil).

### 17. Events after the financial reporting date

On 5 October 2010, the Market Authority of the CISX suspended the listing of the Company's Participating Redeemable Preference Shares, following the publication of the financial statements for the year ended 31 March 2010, due to the disclaimer of opinion in the audit report in relation to the results and the cash flows of the Company as the auditor was unable to obtain sufficient audit evidence regarding the comparative figures for the year ended 31 March 2009. Following the receipt of further information by the Market Authority, the listing of the Company's Participating Redeemable Preference Shares resumed on 11 October 2010.

The Board believes that it is in the best interests of Shareholders that the Company's investments are realised and cash returned to Shareholders. Consistent with this approach, and after discussion with the principal Shareholders, the Board has proposed a revised performance fee basis for the Investment Manager that will incentivise realisation and return of cash as long as that process does not undermine asset value. This revised performance fee is to be voted on at an Extraordinary General Meeting to be held on 23 December 2010. There will not be any "fire sale" of assets and all major transactions will continue to be approved by the Board.

On 7 December 2010, Spearpoint on behalf of the Cells of the ICC, commenced enforcement action against Nautical Ventures for recovery of the outstanding debt. The enforcement of maritime security in several jurisdictions will take some time and the ultimate outcome of this process cannot be assessed at this time (10 December 2010).

There are no other material events after the financial reporting date.

**SPL ARL Private Finance (PF5) IC Limited**

**Investment Portfolio  
as at 30 September 2010**

	<b>£'000</b>	<b>% of portfolio</b>
		%
<b>Investments at fair value through profit or loss</b>		
Medley Opportunity Fund, Class B, Series 1	5,370	16.29
SOLA 1, Class L3, Series E Initial	836	2.54
	-----	-----
	6,206	18.83
	-----	-----
 <b>Investments at cost less impairment</b>		
SPL Private Finance (PF2) IC Limited	15,424	46.78
Ark Royal Fund (Offshore) Ltd Class B, Series 1	4,538	13.76
AT Nautical Ventures loan notes	3,041	9.22
Pentagon Bernini Fund Ltd, Class A, Series 1	1,890	5.73
Noble Venture Finance II	1,461	4.43
Arch AT Marinter I & II Linked 20% loan note	406	1.23
SPL Structured Finance (PF4) IC Limited	8	0.02
Simon Archdale 20% loan note	-	-
Nice Investment 20% loan note	-	-
Lonscale – bank renegotiation rights	-	-
Lonscale – property performance rights	-	-
Aarkad Fund Plc	-	-
Arche Fund Limited	-	-
SCPK Holdings Limited	-	-
Financial Partners Dubai bonus rights	-	-
Symphony Towers II Development Group Limited	-	-
Symphony Towers III Development Group Limited	-	-
Multiview Development Limited	-	-
	-----	-----
	26,768	81.17
	-----	-----
	-----	-----
	<b>32,974</b>	<b>100.00</b>
	-----	-----

**SPL ARL Private Finance (PF5) IC Limited**

**Investment Portfolio  
as at 30 September 2009**

	<b>£'000</b>	<b>% of portfolio</b>
		<b>%</b>
<b>Investments at cost less impairment</b>		
SPL Private Finance (PF2) IC Limited	17,165	42.52
Medley Opportunity Fund, Class B, Series 1	5,450	13.50
Ark Royal Fund (Offshore) Ltd Class B, Series 1	5,225	12.94
Pentagon Bernini Fund Ltd, Class A, Series 1	3,703	9.17
AT Nautical Ventures loan notes	2,869	7.11
Noble Venture Finance II	1,913	4.74
Scipion African Opps Fund SPC – Class A, Series 1	1,466	3.63
SOLA 1, Class L3, Series E Initial	1,431	3.55
Aarkad Fund Plc USD Class	706	1.75
Arch AT Marinter I & II Linked 20% loan note	438	1.09
Arch Treasury A shares – income	-	-
Arch AT Lonscale Mezz note	-	-
Financial Partners loan note 12%	-	-
Financial Partners loan note 15%	-	-
Simon Archdale 20% loan note	-	-
Nice Investment 20% loan note	-	-
Arche Fund Limited	-	-
	40,366	100.00

**SPL ARL Private Finance (PF5) IC Limited**

**Investment Portfolio  
as at 31 March 2010**

	<i>£'000</i>	<b>% of portfolio</b>
		<i>%</i>
<b>Investments at cost less impairment</b>		
SPL Private Finance (PF2) IC Limited	14,778	40.62
Medley Opportunity Fund, Class B, Series 1	5,599	15.39
Ark Royal Fund (Offshore) Ltd Class B, Series 1	4,853	13.34
AT Nautical Ventures loan notes	3,144	8.64
Pentagon Bernini Fund Ltd, Class A, Series 1	2,658	7.31
Noble Venture Finance II	1,716	4.72
Scipion African Opps Fund SPC – Class A, Series 1	1,322	3.63
SOLA 1, Class L3, Series E Initial	1,214	3.34
Aarkad Fund Plc USD Class	446	1.23
Arch AT Marinter I & II Linked 20% loan note	417	1.15
Financial Partners Hong Kong bonus rights	106	0.29
Financial Partners Strategic Holdings Limited	34	0.09
SPL Private Finance (PF1) IC Limited	30	0.08
SPL China AME Energy (NR1) IC Limited	20	0.05
SPL Finance Opportunities (PF3) IC Limited	18	0.05
Financial Partners Indo bonus rights	18	0.04
SPL Structured Finance (PF4) IC Limited	7	0.02
Carpedium Limited	2	0.01
Financial Partners loan note 12%	-	-
Simon Archdale 20% loan note	-	-
Nice Investment 20% loan note	-	-
Lonscale – bank renegotiation rights	-	-
Lonscale – property performance rights	-	-
Arche Fund Limited	-	-
SCPK Holdings Limited	-	-
Financial Partners Dubai bonus rights	-	-
Symphony Towers II Development Group Limited	-	-
Symphony Towers III Development Group Limited	-	-
Multiview Development Limited	-	-
	<b>36,382</b>	<b>100.00</b>

**SPL ARL Private Finance (PF5) IC Limited**

**Directors**

Hugh Aldous (non-executive Chairman)  
William Scott (non-executive Director)  
Christopher Harris (non-executive Director), appointed 1 August 2010  
Andrew Duquemin (non-executive Director), resigned 1 October 2010

**Advisers**

**Registered Office**

2<sup>nd</sup> Floor  
No. 1 Le Truchot  
St Peter Port  
Guernsey  
GY1 3JX

**Custodian and Bankers**

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PO Box 253  
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Admiral Park  
St Peter Port  
Guernsey  
GY1 3QJ

**Administrator, Secretary and CISX**

**Listing Sponsor**

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GY1 3JX

**Guernsey Legal Advisers**

Carey Olsen  
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Carey House  
Les Banques  
St Peter Port  
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**Registrar**

Anson Registrars Limited  
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**Investment Manager**

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Yorkshire House  
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**Auditors**

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