

SPL PRIVATE EQUITY (PE1) IC LIMITED
(formerly ARCH CRU PRIVATE EQUITY IC LIMITED)
HALF YEARLY REPORT AND
UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2009

SPL PRIVATE EQUITY (PE1) IC LIMITED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

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SPL PRIVATE EQUITY (PE1) IC LIMITED
ADMINISTRATION

Registered Office of the Company	Bordeaux Court Les Echelons St. Peter Port Guernsey GY1 6AW
Directors of the Company	Hugh Aldous - Chairman (appointed on 31 December 2009) Andrew Duquemin (appointed on 31 December 2009) William Scott (appointed on 31 December 2009) Neal Meader (resigned on 28 January 2010) Peter Radford (resigned on 28 January 2010) Robert Addison (resigned on 31 December 2009)
Investment Manager	Spearpoint Limited (appointed on 1 December 2009) Yorkshire House Le Truchot St. Peter Port Guernsey GY1 4PH Arch Financial Products LLP (resigned on 1 December 2009) 7 Savile Row Mayfair London W1S 3PE
Custodian and Bankers	MeesPierson (C.I.) Limited PO Box 119 Martello Court St. Peter Port Guernsey GY1 3QJ
Auditors	Moore Stephens Town Mills South La Rue du Pre St. Peter Port Guernsey GY1 3HZ
Administrator, Secretary and Listing Sponsor	Bordeaux Services (Guernsey) Limited Bordeaux Court Les Echelons St. Peter Port Guernsey GY1 6AW
Lawyers	Carey Olsen Carey House Les Banques St. Peter Port Guernsey GY1 4BZ
Registered Number	46099

SPL PRIVATE EQUITY (PE1) IC LIMITED
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

On 31st December 2009 the Company, and its holding company SPL Guernsey ICC Limited (formerly Arch Guernsey ICC Limited), appointed three new directors, Andrew Duquemin, Bill Scott and myself and Robert Addison resigned. Peter Radford and Neal Meader resigned on 28th January 2010. It is therefore my duty as Chairman of the board of the Company to present the Report and Accounts for the six months to 30th September 2009. Although these are unaudited, the audit of the accounts to 31st March 2009 was only completed at the end of December 2009 and the administrators have reflected the relevant audit adjustments to those accounts in these 6 month accounts.

On 1st December 2009 Spearpoint Limited (“Spearpoint”) an independent investment management firm regulated by the Guernsey Financial Services Commission and the Jersey Financial Services Commission, was appointed as investment manager of the funds of the Company and of the funds of all cells within SPL Guernsey ICC Limited . Your board’s intention, and as directors of the board of the holding company, is that the assets of your Company should now be managed so as to achieve value for shareholders through an orderly realisation. It is also the board’s intention that communication with shareholders should be greatly improved and to that end factsheets on the Company’s investments, and on all the other active cells of the holding company, have been prepared by Spearpoint and have already been made available prior to the completion of these Report and Accounts. The latest factual information on the Company’s investments is therefore contained in its factsheet.

The boards also called Extraordinary General Meetings for the majority of the cells within SPL Guernsey ICC Limited which were held in Guernsey on 28th January 2010 for the principal purpose of obtaining shareholder approval for the change of objectives to an orderly realisation of assets and a change of name to SPL Private Equity (PE1) IC Limited. Those resolutions were passed.

From 1st February 2010 the Company will have a redesigned website on which regular factsheets will be posted.

To a large extent therefore, events have overtaken these half year Report and Accounts to 30th September 2009. The Fund’s new managers, Spearpoint, have provided a manager’s review but that usefully looks forward rather than trying to interpret the thinking of the previous managers, Arch Financial Products LLP. It is both the board’s and Spearpoint’s intention that factsheets on the Company’s investments should be published every two months and we give shareholders a commitment to greatly improved communication in future.

Hugh Aldous
Chairman
29 January 2010

**SPL PRIVATE EQUITY (PE1) IC LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

The Directors of SPL Private Equity (PE1) IC Limited (formerly Arch Cru Private Equity IC Limited) ("the Fund") are pleased to submit their half yearly report and unaudited condensed financial statements for the six months ended 30 September 2009.

THE FUND

The Fund is an incorporated cell of SPL Guernsey ICC Limited (formerly Arch Guernsey ICC Limited) ("the ICC"), a closed-end incorporated cell company registered with limited liability in Guernsey on 21 December 2006 and authorised by the Guernsey Financial Services Commission under the Incorporated Cell Companies Ordinance, 2006. The Fund was registered with limited liability on 21 December 2006 and listed on the Channel Islands Stock Exchange ("CISX") on 31 January 2007.

The Fund has created three classes of Shares, designated Dollar Shares, Euro Shares and Sterling Shares, each of which is denominated in the specified currency and which rank pari passu to each other. Each Share Class will hold an undivided share in a single portfolio of assets held by the Fund but may have certain assets or liabilities attributable solely to the Share Class, such assets and liabilities to include, but not be limited to, forward foreign exchange agreements utilised by the Manager for currency hedging purposes. At the date of these accounts only shares in the Sterling class had been issued.

INVESTMENT OBJECTIVE

Following the resolution passed at the EGM held on 28 January 2010, the Investment Manager will manage the Fund'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 5 years. Realisations will be managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.

The former investment objective of the Fund was to provide Shareholders over the medium to long term with capital appreciation through an economic exposure to a diverse range of investment opportunities selected by the Investment Manager.

RESULTS AND DIVIDENDS

The results for the period are shown on page 8.

The Directors do not recommend the payment of a dividend for the period.

DIRECTORS

The Directors, all of whom are non-executive directors, are as listed on page 1. Robert Addison, who was appointed as a Director on incorporation of the Company and served as a Director throughout the period, resigned as a Director on 31 December 2009. Neal Meader and Peter Radford, who were appointed as Directors on incorporation of the Company and served as Directors throughout the period, resigned as Directors on 28 January 2010. Hugh Aldous, Andrew Duquemin and William Scott were appointed as Directors on 31 December 2009.

During the period business relationships existed between the Directors of the Fund and Related Parties to the Fund. These relationships are detailed in note 3, of the financial statements.

**SPL PRIVATE EQUITY (PE1) IC LIMITED
DIRECTORS' REPORT (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing these half yearly unaudited condensed financial statements and are required to:

- prepare the half yearly unaudited condensed financial statements in accordance with International Accounting Standard 34: Interim Financial Reporting;
- include a fair review of important events that have occurred during the six month period, and their impact on the half yearly unaudited condensed financial statements, together with a description of the principal risks and uncertainties of the Fund for the remaining six months of the financial year, as detailed in the Investment Manager's Report, and, where there were no changes, in the notes to the financial statements for the year ended 31 March 2009; 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 Fund, together with disclosure of any changes in related party transactions in the last annual financial statements which have had a material affect on the financial position of the Fund in the current period.

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

THE INVESTMENT MANAGER

Arch Financial Products LLP resigned as Investment Manager to the Fund and Spearpoint Limited was appointed in its place on 1 December 2009 pursuant to an Investment Management Agreement effective from that date, (the "Management Agreement") between the Investment Manager and the Fund.

The Investment Manager's appointment may be terminated after the expiry of a minimum period of 1 year, on six months' notice given by either party or immediately at any time by the Fund upon material breach of the Management Agreement by the Investment Manager, the insolvency, liquidation (save for the purpose of a previously approved winding up) or receivership of the Investment Manager or if the Investment Manager ceases to be qualified to act as such or, if for good and sufficient reason, the Fund is of the opinion that a change of manager is desirable in the interests of Shareholders and an Extraordinary Resolution is passed removing the Investment Manager.

The Investment Management fee remains at 1.25% pa payable quarterly in arrears calculated on the Net Asset Value of the Company.

There is no performance fee.

**SPL PRIVATE EQUITY (PE1) IC LIMITED
DIRECTORS' REPORT (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

THE ADMINISTRATOR

Bordeaux Services (Guernsey) Limited has been appointed as Administrator of the Fund pursuant to an Administration Agreement dated 12 November 2007, (the "Administration Agreement"). The Administrator has also been appointed to act as secretary of the ICC and the Fund.

The Administration Agreement may be terminated by either party on not less than three months' notice, or earlier upon certain breaches of the Administration Agreement or the insolvency or receivership of either party or if the Administrator ceases to be qualified to act as such.

CUSTODIAN

The Manager has appointed MeesPierson (C.I.) Limited as the Custodian of the Fund under the terms of a Custodian Agreement dated 29 December 2006.

The appointment of the Custodian can be terminated by the Fund or the Custodian (subject to the appointment of a replacement) upon not less than three months' prior written notice or earlier upon default by any party.

STATUS OF TAXATION

The Income Tax Authority of Guernsey has granted the Fund exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and the income of the Fund may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Fund of an annual fee of £600 for each year in which the exemption is claimed. It should be noted, however, that interest and dividend income accruing from the Fund's investments may be subject to withholding tax in the country of origin.

The Fund has not suffered any withholding tax in the year on its direct investments, although withholding tax may have been suffered within certain investments held by the Fund.

EXTRAORDINARY GENERAL MEETING

As detailed in note 10, an EGM of the Company was held on 28 January 2010 and voted to change the investment objective and hedging policy of the Company, authorised the purchase of shares and change of the Fund's name.

SUSPENSION OF LISTING ON CISX

On 27 July 2009, the Directors of the ICC suspended the listing of the Fund on the CISX pending the publication of the March 2009 net asset valuation. The March 2009 net asset value was published on 30 December 2009 and the Board continues to review the suspension of the listing with the aim of lifting the suspension at the earliest practicable opportunity.

Andrew Duquemin
Director

Date: 29 January 2010

**SPL PRIVATE EQUITY (PE1) IC LIMITED
INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

Spearpoint Limited was appointed to manage the portfolio on 1 December 2009. We have played no part in the management of the portfolio before this date. Neither have we been involved in valuing the assets or creating the net asset value calculations. In this report we have been asked to delve back into history and write a report on the assets of the company as at 30 September 2009. This is very difficult. We have for the most part, therefore, focused on the future.

By the time this investment report has been published shareholders will be aware of further falls in net asset value post the 30 September 2009 interim accounts and will have been provided with an up-date of the portfolio from factsheets published on the Channel Islands Stock Exchange (www.CISX.com). These factsheets contained a more up-to-date breakdown of assets as at 30 November 2009 and have also been published on the company website (www.SPLFUNDS.com). We will be producing factsheets every two months to help keep shareholders up to date on progress with the portfolio.

A new investment objective has been proposed for approval by shareholders at the EGM vote on 28 January 2010. This amounts to an orderly realisation with capital to be returned to shareholders quickly without destroying value. We can begin this process by using the share buyback authority also proposed at the EGM. We will, however, explore other mechanisms for returning capital to shareholders when a material amount of excess cash is available, above that required to support existing assets.

Our core economic outlook for 2010 is quite positive: strong global growth with modest inflation and a benign G7 (the group of 7 leading industrial nations) interest rate environment. This should remain supportive for risk assets. Whilst the broad trend of an unfolding global economic recovery seems clear, the speed and underlying strength of the recovery differs from region to region, reflecting different policy stances, underlying growth potential and the general health of the financial system. Although the global economic recovery is developing fast, it remains unstable. Deleveraging pressures, a weak banking system (especially in the G7), different policy stances among the major central banks, global economic imbalances, differences in structural growth rates and the diminishing impact of fiscal stimulus could all adversely impact the economic recovery.

Although the world economy is on the mend, this is by no means a stable process. This is partly because we have never experienced global stimulus and liquidity creation on the scale that we have seen over the past year or so. Thus no one can really be sure about the future path of the world economy or financial markets. There are several potential problems or issues that may adversely affect the stability of the global economy, making its recovery process more volatile and less stable than in the past. This will inevitably impact the portfolio.

An additional reason why the current economic recovery is uncertain is the sorry state of the G7 banking system. Although policy makers have essentially stabilised the system, the bursting of the housing bubble and deleveraging have inflicted horrendous damage on the G7 banks, which will take a long time to repair. Finally, the huge fiscal stimulus that has been unleashed throughout the world over the past year is unprecedented and cannot be sustained forever. The resulting very large budgetary deficits will need to be addressed. All of this creates doubt and uncertainty over whether the recovery process is sustainable once this stimulus is removed or reversed. It also impacts liquidity within underlying portfolio investments.

SPL PRIVATE EQUITY (PE1) IC LIMITED
INVESTMENT MANAGER'S REPORT (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

All of these issues suggest that the policy environment will become extremely complicated and perhaps dangerous as we move further into 2010. We hope that there is no major policy disaster that derails the global recovery process but nobody can be certain that this will be the case. Financial markets could, thus, experience a period of erratic movement and heightened volatility as policy makers try to steer the world economy through an increasingly challenging and difficult environment whilst investors attempt to make sense of it all.

The portfolio is exposed to the Parallel Private Equity fund (2007 pool) and the Parallel Private Equity fund (2008 pool). The assets are later stage investments (MBOs, MBIs & development finance) in UK and European mid-market companies. The underlying private equity managers are UK and European based and the 8-10 managers used provide diversification within the portfolio. There should be no follow-on funding required for the 2007 pool but it is anticipated that there might be a further drawdown on the 2008 pool of up to perhaps 10% of the commitment. The average time to realisation of each investment within each pool is estimated to be 4-5 years from the time the investment is made. The portfolio also has a small holding in Arch Cru Private Finance IC Limited which we will be selling into the share buyback programme proposed by this Cell.

On balance we expect the world economy to continue to recover which should be supportive to private equity investments. Indeed, there is a high probability that investments made during 2009 are likely to have been struck at good prices at the bottom of the trough which may make 2009 a vintage year for private equity investors. The process of returning capital to shareholders is, however, likely to be lengthy.

We will be making regular up-dates to shareholders through the factsheets published every two months with more detailed comments on material developments.

Spearpoint Limited
21 January 2010

SPL PRIVATE EQUITY (PE1) IC LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Notes	1 April 2009 to 30 September 2009 (unaudited)	1 April 2009 to 30 September 2008 (unaudited)
		£	£
INCOME			
Bank interest		-	67,991
Total income		-	67,991
EXPENSES			
Administration fees	3	14,474	15,148
Audit fees		12,030	2,528
Custodian fees		7,787	10,110
Directors' fees and expenses		384	303
Investment manager's initial dealing charge		-	94,806
Management fees	3	149,876	193,377
Other operating expenses		1,876	18,836
Total expenses		186,427	335,108
Investment gains and losses			
Realised gain from sale of investments		-	36,407
Movement in unrealised loss on valuation of investments		(1,575,652)	(122,570)
Total investment loss		(1,575,652)	(86,163)
Net loss from operating activities before gains and losses on foreign currency exchange			
		(1,762,079)	(353,280)
Gain on foreign currency exchange		654,712	46,091
Total comprehensive loss for the period attributable to holders of Participating Redeemable Preference Shares		(1,107,367)	(307,189)
Weighted average shares in existence during the period		27,692,508	25,337,307
Loss per Participating Redeemable Preference Share		£(0.04)	£(0.01)

Items in the above statement are derived from continuing operations.

There was no other comprehensive income in the period

The accompanying notes on pages 12-16 form an integral part of these half yearly consolidated condensed financial statements.

These half yearly consolidated condensed financial statements are unaudited and not the Fund's statutory financial statements.

SPL PRIVATE EQUITY (PE1) IC LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2009

	Notes	30 September 2009 (unaudited) £	31 March 2009 (audited) £
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	4	22,036,797	23,118,888
Other receivables and prepayments	5	6,359	21,537
Cash and cash equivalents		1,636,204	1,487,542
Total assets		23,679,360	24,627,967
EQUITY AND LIABILITIES			
Equity			
Share Capital - Management Shares		2	2
Share Premium - Participating Redeemable Preference Shares		29,760,150	29,760,150
Retained deficit		(6,339,011)	(5,231,644)
Total equity		23,421,141	24,528,508
Liabilities			
Current liabilities			
Net amounts due on open forward foreign exchange contracts	7	-	21,615
Other payables	6	258,219	77,844
Total liabilities		258,219	99,459
Total equity and liabilities		23,679,360	24,627,967
Net Asset Value per Participating Redeemable Preference Share	8	£0.8458	£0.8857

These half yearly condensed financial statements were approved by the board on 29 January 2010.

For and on behalf of

SPL PRIVATE EQUITY (PE1) IC LIMITED

Andrew Duquemin
Director

The accompanying notes on pages 12-16 form an integral part of these half yearly consolidated condensed financial statements.

These half yearly consolidated condensed financial statements are unaudited and not the Fund's statutory financial statements.

SPL PRIVATE EQUITY (PE1) IC LIMITED
CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF
PARTICIPATING REDEEMABLE PREFERENCE SHARES
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	1 April 2009 to 30 September 2009 (unaudited)	1 April 2009 to 30 September 2008 (unaudited)
	£	£
Net assets attributable to holders of Participating Redeemable Preference Shares at start of period/year	24,528,506	22,117,835
Movement due to issue and redemption of shares:		
Amounts receivable on issues	-	8,500,000
Decrease in net assets attributable to holders of Participating Redeemable Preference Shares	(1,107,367)	(307,189)
Net assets attributable to holders of Participating Redeemable Preference Shares at end of period/year	23,421,139	30,310,646

The accompanying notes on pages 12-16 form an integral part of these half yearly consolidated condensed financial statements.

These half yearly consolidated condensed financial statements are unaudited and not the Fund's statutory financial statements.

SPL PRIVATE EQUITY (PE1) IC LIMITED
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	1 April 2009 to 30 September 2009 (unaudited)	1 April 2009 to 30 September 2008 (unaudited)
	£	£
Cash flows from operating activities		
Total Comprehensive loss attributable to holders of Participating Redeemable Preference Shares	(1,107,367)	(353,280)
<i>Adjusted for:</i>		
Bank interest received	-	(67,991)
Decrease in receivables	15,178	6,555
Increase in payables	180,375	16,500
Realised profit on sale of investments	-	(36,407)
Unrealised loss on investments	1,575,652	122,570
Purchase of investments at fair value through profit or loss	(497,214)	(25,604,191)
Sale proceeds from disposal of investments at fair value through profit or loss	3,653	15,382,163
Net cash generated from/(used in) operating activities	170,277	(10,534,081)
Cash flows from financing activities		
Bank interest received	-	67,991
Proceeds from issue of Participating Redeemable Preference	-	8,500,000
Net cash inflow from financing activities	-	8,567,991
Net increase/(decrease) in cash and cash equivalents	170,277	(1,966,090)
Effect of exchange rate changes during the period	(21,615)	(14,805)
Cash and cash equivalents at start of period	1,487,542	3,026,023
Cash and cash equivalents at end of period	1,636,204	1,045,128

The accompanying notes on pages 12-16 form an integral part of these half yearly consolidated condensed financial statements.

These half yearly consolidated condensed financial statements are unaudited and not the Fund's statutory financial statements.

SPL PRIVATE EQUITY (PE1) IC LIMITED
NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

1. GENERAL INFORMATION

SPL Private Equity (PE1) IC Limited (formerly Arch Cru Private Equity IC Limited) (the "Fund") is an incorporated cell of the SPL Guernsey ICC Limited (formerly Arch Guernsey ICC Limited) (the "ICC"), a closed-ended incorporated cell company registered with limited liability in Guernsey on 21 December 2006 and authorised by the Guernsey Financial Services Commission under the Incorporated Cell Companies Ordinance, 2006. The Fund was registered with limited liability on 21 December 2006 and commenced operations on 25 January 2007.

The Investment Manager will manage the Fund'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 5 years. Realisations will be managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These unaudited half yearly condensed financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), and applicable legal and regulatory requirements of Guernsey Law. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 31 March 2009 which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law.

The half yearly financial statements were approved by the Board of Directors on 29 January 2010.

Accounting policies

The accounting policies adopted in the preparation of these unaudited half yearly financial statements are consistent with those followed in the preparation of the Fund's annual audited financial statements for the year ended 31 March 2009, except for the adoption of new/amended standards and interpretations as of 1 April 2009, noted below:

IAS 1: Presentation of Financial Statements (amended)

The adoption of amended IAS 1 makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Fund's assets, liabilities, income and expenses is unchanged. IAS 1 affects the presentation of owner changes in equity and introduces a "Statement of Comprehensive Income".

The introduction/amendment of the following standards became effective on or before 1 April 2009: however, the introduction/amendment did not have any impact on the accounting policies, financial position or performance of the Fund.

SPL PRIVATE EQUITY (PE1) IC LIMITED
NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

- IAS 16: Property, Plant and Equipment
- IAS 19: Employee Benefits
- IAS 20: Government Grants and Disclosures of Government Assistance
- IAS 23: Borrowing Costs
- IAS 27: Consolidated and Separate Financial Statements
- IAS 28: Investments in Associates
- IAS 29: Financial Reporting in Hyperinflationary Economies
- 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
- IAS 40: Investment Property
- IAS 41: Agriculture
- IFRS 1: First time Adoption of International Financial Reporting Standards
- IFRS 2: Share-Based Payments
- IFRIC 13: Customer Loyalty Programmes
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation

The accounting policies have been applied consistently throughout the period for the purposes of preparing these unaudited half yearly financial statements.

Segmental Reporting

The Directors are of the opinion that the Fund is engaged in a single segment of business, being investment in private finance.

3. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

During the period, business relationships existed between the Directors of the Fund and Related Parties to the Fund.

Robert Addison is a director of Arch Financial Products LLP, the former Investment Manager.

The Fund was responsible for the continuing fees of the former Investment Manager in accordance with an Investment Management Agreement dated 28 December 2006.

Management Fees

Pursuant to the provisions of an Investment Management Agreement, the former Investment Manager was entitled to receive a management fee during the period ended 30 September 2009 at 1.25% per annum of the Net Asset Value of the Fund. During the period ended 30 September 2009 management fees totalling £149,876 (30 September 2008: £193,377) were due to Arch Financial Products LLP. As at 30 September 2009 the management fee payable was £209,422 (31 March 2009: £59,547).

SPL PRIVATE EQUITY (PE1) IC LIMITED
NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

3. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

Administration Fees

Neal Meader and Peter Radford are directors of Bordeaux Services (Guernsey) Limited, the Administrator.

In the period ended 30 September 2009 administration fees totalling £14,474 (30 September 2009: £15,148) were due to Bordeaux Services (Guernsey) Limited. As at 30 September 2009 the administration fee payable was £21,802 (31 March 2009: £7,328).

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2009 (unaudited)	31 March 2009 (audited)
	£	£
Cost at start of the period/year	25,740,328	18,269,132
Purchases	497,214	17,302,584
Sales	(3,653)	(8,678,412)
Realised loss on sales	-	(1,152,976)
Cost at end of the period/year	26,233,889	25,740,328
Unrealised loss on valuation of investment	(4,197,092)	(2,621,440)
Fair value of investments at end of period/year	22,036,797	23,118,888

5. OTHER RECEIVABLES AND PREPAYMENTS

	30 September 2009 (unaudited)	31 March 2009 (audited)
	£	£
Other receivables	6,359	8,029
Due from brokers	-	13,508
	6,359	21,537

The Directors consider that the carrying amount of other receivables approximates to fair value.

SPL PRIVATE EQUITY (PE1) IC LIMITED
NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

6. OTHER PAYABLES

	30 September 2009 (unaudited)	31 March 2009 (audited)
	£	£
Management fees	209,422	59,547
Administration fees	21,802	7,328
Custodian fees	7,791	4,004
Audit fees	18,655	6,800
Directors' fees	549	165
	258,219	77,844

The Directors consider that the carrying amount of other payables approximates to fair value.

7. FORWARD CURRENCY CONTRACTS

As at 30 September 2009, no outstanding forward currency contracts were held.

As at 31 March 2009, outstanding forward currency contracts were held as set out below:

Purchase Currency	Contractual Amount	Sale currency	Contractual Amount	Maturity Date	Unrealised Gain
					£
EUR	9,330,000	GBP	8,607,989	16 June 2009	21,615

The above forward currency contracts are for the purpose of currency hedging.

8. NET ASSET VALUE PER PARTICIPATING REDEEMABLE PREFERENCE SHARE

The net asset value per Participating Redeemable Preference Share ("NAV per Share") is calculated based on the net assets attributable to holders of the Participating Redeemable Preference Shares ("NAV") at the Balance Sheet date divided by the period end number of Participating Redeemable Preference Shares in issue.

For the purposes of calculating the NAV, preliminary expenses are being written off over a five year period, which commenced on the launch of the Fund. However, in compliance with IFRS, preliminary expenses have been expensed in the Consolidated Statement of Comprehensive Income as incurred. The table below shows the NAV per Share and reconciles the difference between the financial statements NAV per Share compared to the published NAV per Share:

	30 September 2009 (unaudited)	31 March 2009 (audited)
	£	£
NAV	23,421,139	24,528,506
No. of shares in issue	27,692,508	27,692,508
Financial Statements NAV per Share	0.8458	0.8857
Add back:		
Write off of formation expenses, initial charge and audit fee revision	291,956	342,135
Published NAV per Share	0.8563	0.8981

SPL PRIVATE EQUITY (PE1) IC LIMITED
NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

9. SUSPENSION OF LISTING ON CISX

On 27 July 2009, the Directors of the ICC suspended the listing of the Fund on the CISX pending the publication of the March 2009 net asset valuation. The March 2009 net asset value was published on 30 December 2009 and the Board continues to review the suspension of the listing with the aim of lifting the suspension at the earliest practicable opportunity.

10. POST BALANCE SHEET EVENTS

Arch Financial Products LLP resigned as Investment Manager with effect from 1 December 2009. The Board appointed Spearpoint Limited as the new Investment Manager to the Fund with effect from 1 December 2009.

Change of Investment Manager

Arch Financial Products LLP resigned as Investment Manager with effect from 1 December 2009. The Board appointed Spearpoint Limited as the new Investment Manager to the Fund with effect from 1 December 2009.

Write-Off of Initial Costs and Charges

With effect from 1 October 2009 the Initial Costs and Charges that were being amortised over five years, for the purposes of calculating the published NAV, have been written off in full. This treatment accords with the accounting treatment adopted in the financial statements of the Fund under IFRS.

Extraordinary General Meeting

An EGM of the Fund was held on 28 January 2010 and voted to change the investment objective and hedging policy of the Fund, authorised the purchase of shares and change of Fund name.

The Investment Objective of the Fund was amended to read as follows:

“The Investment Manager will manage the Fund’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 5 years. Realisations will be managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders.”

The Foreign Exchange Hedging Policy of the Fund was amended to read as follows:

“The Investment Manager will not hedge against the Fund’s currency exposure unless it strongly believes that such currency hedging would be in the best interests of the Fund, and there is sufficient cash and hedging facilities available therefor.”

The Fund was generally and unconditionally authorised in accordance with the Companies (Guernsey) Law 2008, as amended, to make market acquisitions (as defined in that Law) of each class of its Shares (either for the retention as treasury shares, or cancellation).

The name of the Fund was changed to “SPL Private Equity (PE1) IC Limited”.

Outstanding former Manager's management fees and new Manager's take on fee.

Following an agreement dated 1 December 2009, Arch Financial Products LLP agreed to forego all of the outstanding management fees due to it which amounted to circa £3.6m across all of the cells of the ICC. Spearpoint Limited agreed to take on the management of the ICC and were paid a take-on fee of £2.7m for doing so. This was largely to reflect various liabilities taken on by Spearpoint Limited, from Arch Financial Products LLP, and the work required to ensure an orderly hand over of the portfolios of the ICC. This resulted in a net saving to the ICC as a whole of approximately £900,000.

SPL PRIVATE EQUITY (PE1) IC LIMITED
PORTFOLIO STATEMENT
AS AT 30 SEPTEMBER 2009

Description	30 September 2009 (unaudited)	
	£	% of
	Fair value	portfolio
Parallel Private Equity Limited Partnership	13,336,000	57.68%
Arch AT Parallel Equity Linked Note	9,757,679	42.20%
Arch Cru Private Finance *	26,742	0.12%
Total Portfolio	23,120,421	100.00%

Description	31 March 2009 (audited)	
	£	% of portfolio
	Fair value	% of portfolio
Parallel Private Equity Limited Partnership	13,336,000	57.68%
Arch AT Parallel Equity Linked Note	9,757,678	42.21%
Arch Cru Private Finance *	25,210	0.11%
Total Portfolio	23,118,888	100.00%

* The listing of this security on the CISX is currently suspended.