

LF Arch cru Investment Funds

LF Arch cru Investment Portfolio
LF Arch cru Specialist Portfolio

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



AUTHORISED CORPORATE DIRECTOR ('ACD')

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ACD'S REPORT

for the year ended 31 March 2024

Authorised Status

LF Arch cru Investment Funds ('the Company') is an open-ended investment company with variable capital incorporated in England and Wales with registered number IC456 and authorised by the Financial Conduct Authority ('FCA') with effect from 30 June 2006.

It is a Non-UCITS Retail Scheme and the currency of the Company and each sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company.

The Company is currently being wound-up and the sub-funds terminated following receipt of the FCA's approval on 1 February 2010. As a result, the financial statements of the Company and all its sub-funds have been prepared on a break-up basis.

The ACD, as a sole director of the Company, presents its report and the audited financial statements of the Company for the year from 1 April 2023 to 31 March 2024.

ACD's Statement

Alternative Investment Fund Managers Directive ('AIFMD')

The FCA approved the commencement of the wind up of the Company from 1 February 2010 and, therefore, the Company falls outside the scope of the AIFMD.

General Background

We have previously informed you that the Funds were suspended on 13 March 2009 due to liquidity issues in certain of the Guernsey Incorporated Cell Companies ('the Cells') and also informed you in December 2009 that the Investment Manager of the Cells was replaced by Brooks Macdonald Group plc (formerly Spearpoint Limited). At this time the intention was to try to maximise the return to shareholders and that the wind up of the Cells needed to be undertaken on an orderly realisation basis with the aim of achieving this within three to five years. It is now evident that this process has extended beyond the anticipated five years. In January 2015, Brooks Macdonald were replaced by Elysium Fund Management Limited as the Cells' advisory Fund Manager and at that time reductions were made to the investment management fees paid by the Cells. In January 2016, due to the limited number of assets now held within the structure, the Cells became self-managed. In February 2018, the Cells' Board proposed a further scheme of amalgamation to simplify the structure, reduce ongoing operational costs and enable more effective management of liquidity. The scheme of amalgamation was concluded in March 2018. At the time of writing this report and whilst it is still not possible to predict with any accuracy as to when the orderly realisation process will be concluded, other than, based on the Report and Financial Statements issued by the Cells on 3 July 2024, we do now anticipate that the conclusion of this long-drawn-out process will complete at the earliest around

ACD'S REPORT *continued*

General Background *continued*

the end of 2025. This expectation is based on the Chairman's Statement where he states *"We should not expect that these will resolve soon: last year we foreshadowed that court dates extended out into 2024 and some now extend into 2025"*, and *"In both jurisdictions, we remain focused on the prospect of net recovery in excess of the expenditure of additional funds and we continually re-assess the position with our professional advisers."*

Link Fund Solutions Limited ('LFSL') and the Depositary to the sub-funds have waived their fees since suspension and will continue to do so. The only fees and charges that are now charged to the sub-funds are: the FCA periodic fees, custody transaction charges, audit fees, postage, and distribution costs and, mailing costs associated with making distributions or issuing documents such as the Company's report and accounts. As ACD we have been informed by the Directors of the Cells that they are continuing their legal action against various parties who were either connected with or involved in the management and investment activity of the Cells. As noted above, we have been informed that certain of those actions continue to be progressed in both Greece and Dubai, but that this process will not necessarily be concluded now until 2025.

Payment Scheme

The acceptance deadline for the payment scheme established for investors in the LF Arch cru Funds has passed. Full details and other relevant information are on our website – www.linkfundsolutions.co.uk, enter the 'Investor Services' section, then following the link 'Investor Communications'; followed by 'LF Arch cru Fund' and then click on 'LF Arch cru Payment Scheme'.

Return of Capital

On 26 May 2022 the fifteenth return of capital was made to shareholders of the LF Arch cru Investment Funds and LF Arch cru Diversified Funds (together the 'Arch Funds'), returning a further £2.33 million to investors. This, combined with previous returns of capital, means that £152.14 million has now been returned to investors since the commencement of the orderly realisation of the Arch Funds in February 2010. The timetable for making future returns of capital, and the amount of future returns of capital, continues to be dependent on the progress made by the Boards of the Cells in both realising the underlying assets of the Cells and the successful progress of court cases in Greece and Dubai. Based on the Cells 31 March 2024 Annual Report and Financial Statements, published on 3 July 2024, in which the Chairman notes *"To recap, we are down to a very small number of investment assets and legal claims where we believe there is still meaningful value to recover for investors either in excess of current prices (in the case of investments) or in excess of the costs of pursuit (in the case of legal claims). We also have to carry a prudent liquidity buffer to sustain our ability to prosecute those recoveries"*.

This is more fully detailed in the Investment Manager's Report. The ACD will make a decision regarding any distribution by the sub-funds following the decision by the Cells.

ACD'S REPORT *continued*

FCA Consumer Redress Scheme

In December 2012 the FCA published a policy statement setting out rules on a consumer redress scheme where there is evidence of unsuitable advice being given to investors. The redress scheme has now concluded.

Frequency of Valuations

The ACD, based on the quarterly Cell Net Asset Value ('NAV'), publishes on its website the price of each share class of the sub-funds. This information can be found on the 'Investor Communications' tab of our website, www.linkfundsolutions.co.uk.

Investor Communications

Please note that since the suspension of the sub-funds all shareholder communications including information regarding the progress being made with the orderly realisation of the Cells' assets and up to date valuation information can be found on our website www.linkfundsolutions.co.uk, under the heading 'Investor Communications'.

Important Information

On 1 February 2010, the FCA granted permission to wind up the Company.

Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the year.

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Remuneration Policy

As at the date of these reports, Link Fund Solutions Limited ('LFSL'), has not presented its most recent remuneration policy as it is not considered comparable or reliable information. This is due to LFSL ceasing normal operations and focusing solely on the closure of a number of funds.

LINK FUND SOLUTIONS LIMITED

ACD of LF Arch cru Investment Funds
31 July 2024

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Arch cru Investment Funds

31 July 2024

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company, comprising each of its sub-funds and of the net revenue/expense and net capital gains/losses on the property of the Company's sub-funds for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the ACD's Report and Accounting Policy (A), the financial statements have been prepared on a break-up basis as the Company is not a going concern.
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus, the COLL and FUND Sourcebook.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM'), are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and Regulations in relation to the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY

In our opinion, during the period from 1 April 2020 to 31 March 2023, we confirm that in all material respects, the Company has observed the above rules and regulations to the extent that they are applicable to a Company in a state of suspension and in wind up phase, and have not been waived with the agreement of the FCA.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depository of LF Arch cru Investment Funds

31 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF ARCH CRU INVESTMENT FUNDS

Opinion

We have audited the financial statements of LF Arch cru Investment Funds ('the Company') comprising each of its sub-funds for the year ended 31 March 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the Statement of Cash Flows and the related notes, and the accounting and distribution policies of the Company set out on pages 15 to 17, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 March 2024 and of the net expense and the net capital losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Statements Prepared on a Break-up Basis

We draw attention to Accounting Policy (A) of the financial statements which explains that the ACD intends to wind-up the Company and terminate each of its sub-funds and, therefore, does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break-up basis as described in Accounting Policy (A). Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF ARCH CRU INVESTMENT FUNDS *continued*

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority ('the FCA')

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF ARCH CRU INVESTMENT FUNDS *continued*

Responsibilities of the ACD

As explained more fully in the Statement of ACD's Responsibilities in Relation to the Financial Statements set out on page 8, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to wind up or terminate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Explanation as to What Extent the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are 'United Kingdom Generally Accepted Accounting Practice (UK GAAP)', Investment Management Association Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF ARCH CRU INVESTMENT FUNDS *continued*

- We understood how the Company is complying with those frameworks through discussions with the ACD and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur considering the risk of management override, specifically management's propensity to influence net asset value. We identified a fraud risk with respect to the incorrect valuation of unlisted investments. We reviewed and challenged management's assessment of the data inputs and assumptions used and agreed the data inputs to available data sources and recalculated for arithmetical accuracy.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP

Statutory Auditor

Edinburgh

31 July 2024

ACCOUNTING AND DISTRIBUTION POLICIES

for the year ended 31 March 2024

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(A) BASIS OF ACCOUNTING

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

The financial statements have been prepared on a break up basis following FCA approval to wind-up the Company and terminate its sub-funds, which was received on 1 February 2010. Under this basis assets are recorded at their expected recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the wind up of the Company and its sub-funds will be borne by the ACD.

(B) RECOGNITION OF REVENUE

Dividends are recognised when the securities are quoted ex-dividend.

Receipts from the Guernsey Incorporated Cell Companies ('the Cells') are recognised when declared by the Cells.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue.

From 1 April 2009 to date, no further fees, which are calculated by reference to the value of the sub-funds, have been charged by Link Fund Solutions Limited, the Administrator, Depositary and Custodian.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES AND SUB-FUNDS

Any revenue or expense not directly attributable to a particular share class or sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and sub-funds, unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

ACCOUNTING AND DISTRIBUTION POLICIES *continued*

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) DISTRIBUTION POLICY

Surplus revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

From the 1 April 2023, in agreement with the Depositary, all surplus revenue has been deemed to be effectively de minimis in the hands of the ultimate sub-fund investor, and that such revenue will be treated as capital. It is expected that this treatment will apply to all future revenue received by the sub-fund.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-fund.

(G) BASIS OF VALUATION OF INVESTMENTS

The sub-funds are substantially invested in certain Guernsey Incorporated Cells. The year end valuations are based on the audited Net Asset Values of the Cells as at 31 March 2024.

The Cells classify investments between those that are measured at fair value and those that are measured at deemed cost less impairment. Wherever fair value can be reasonably ascertained the Cell Directors have valued investments on this basis. However, where there is no active market for these investments and fair value cannot otherwise be obtained the investments are carried at deemed cost less impairment which involves considerable judgment and is subject to significant uncertainty. In making this determination of the impairment the Directors have largely relied on the determination made by the Directors of the Cells. This involves reviewing the impairments made by the Cell Directors which are often based on unaudited information and updating these valuations for any further material changes that might have occurred since the accounts of the Cells were approved and published.

ACCOUNTING AND DISTRIBUTION POLICIES *continued*

The carrying value of the Cells' investments held at deemed cost less impairment which is subject to these uncertainties amounts to £nil (31.03.23: £nil). The carrying value is the expected recoverable value. The amounts eventually recovered may differ from the carrying value as at 31 March 2024, but the difference cannot presently be determined.

LF ARCH CRU INVESTMENT PORTFOLIO ACD'S REPORT

for the year ended 31 March 2024

Important Information

Refer to 'Important Information' section on page 6.

Investment Objective and Policy

Given that LF Arch cru Investment Portfolio ('the Fund') is being terminated on an orderly realisation basis, and given the illiquidity of the Guernsey Cells, the management of the Fund does not involve active investment management of the assets. The investment management required for the Fund is essentially limited to a cash management role, i.e. receiving distributions/realisation proceeds from the Cells and passing these on to shareholders in the Fund.

The Fund is in the course of being terminated and is no longer available for investment.

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2024

In a letter to investors dated 26 February 2010, Capita Financial Managers Limited ('CFML'), now Link Fund Solutions Limited ('LFSL'), informed investors that it had applied to the Financial Conduct Authority ('FCA') in December 2009 for approval of the commencement of termination of LF Arch cru Investment Funds ('the Company') with effect from 1 February 2010. The FCA granted this approval and the winding up of the Company on an orderly realisation basis commenced with effect from 1 February 2010. As such, LFSL's investment management activity for the Company continues to be principally focused on decision making regarding whether to participate in corporate events proposed by the Guernsey Incorporated Cell Companies ('the Cells'), and cash management (i.e., receiving distributions/realisation proceeds from the Guernsey Cells and passing these on to shareholders in the LF Arch cru Investment Funds). LFSL is not charging any fees for performing this role.

On 4 July 2024 the Cells published their Report and Financial Statements in which the Chairman's Statement provides an overview of the past year and forward-looking comment on the ability of the combined Cells to make further distributions. In summary, the Chairman has noted various matters which are summarised below:

1. Net assets are now £8.3 million
2. Litigation continues in Greece and Dubai which will now continue well into 2025 and potentially beyond. The litigation claims necessarily require the Cells to maintain substantial liquidity buffers to enable the process to be concluded and to guard against the procedural manoeuvres the Cell's adversaries would undoubtedly otherwise employ to frustrate attempts at recovery.
3. The Chairman further notes that the combined net assets of the Cells as of 31 March 2024, totalling £8.9mn, 14% relates to JPEL Private Equity Limited, 6% to various hedge funds and property, and 80% to cash.

Post the year-end a further £247,000 has been returned by one of the Cells, to certain of the LF Arch cru Funds. However, this did not provide, when combined with cash held by the various LF Arch cru Funds, sufficient cash for the LF Arch cru Funds to make a meaningful distribution. LFSL continues to monitor the position closely but does not envisage that the sixteenth capital distribution will be made to the Fund's shareholders any earlier than late 2025.

LINK FUND SOLUTIONS LIMITED

ACD of LF Arch cru Investment Portfolio

31 July 2024

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION

Fund Performance

Due to the suspension of the Fund on 13 March 2009, no Fund Performance is reported for the year to 31 March 2024.

Risk and Reward Profile

Due to the suspension of the Fund on 13 March 2009, no Risk and Reward Profile is reported.

Income Distributions

There were no income distributions in the current or prior year.

Comparative Tables

Due to the suspension of the Fund on 13 March 2009, no highest and lowest prices are reported.

A INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.73 | 2.96 | 4.27 |
| Return before operating charges* | (0.12) | (0.22) | 0.63 |
| Operating charges | – | (0.01) | (0.01) |
| Return after operating charges | (0.12) | (0.23) | 0.62 |
| Return of capital | – | – | (1.93) |
| Closing net asset value per share | 2.61 | 2.73 | 2.96 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.40)% | (7.77)% | 14.52% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|-----------|-----------|-----------|
| Closing net asset value (£'000) | 143 | 149 | 162 |
| Closing number of shares | 5,463,726 | 5,463,726 | 5,463,726 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

A ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.74 | 2.97 | 4.29 |
| Return before operating charges* | (0.12) | (0.22) | 0.64 |
| Operating charges | - | (0.01) | (0.01) |
| Return after operating charges | (0.12) | (0.23) | 0.63 |
| Return of capital | - | - | (1.95) |
| Closing net asset value per share | 2.62 | 2.74 | 2.97 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.38)% | (7.74)% | 14.69% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£'000) | 2,300 | 2,407 | 2,614 |
| Closing number of shares | 87,947,665 | 87,947,665 | 87,947,665 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | - | - | - |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

B INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.75 | 2.99 | 4.31 |
| Return before operating charges* | (0.12) | (0.23) | 0.65 |
| Operating charges | – | (0.01) | (0.01) |
| Return after operating charges | (0.12) | (0.24) | 0.64 |
| Return of capital | – | – | (1.96) |
| Closing net asset value per share | 2.63 | 2.75 | 2.99 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.36)% | (8.03)% | 14.85% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£'000) | 956 | 1,001 | 1,087 |
| Closing number of shares | 36,398,778 | 36,398,778 | 36,398,778 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

B ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.78 | 3.02 | 4.36 |
| Return before operating charges* | (0.12) | (0.23) | 0.65 |
| Operating charges | – | (0.01) | (0.01) |
| Return after operating charges | (0.12) | (0.24) | 0.64 |
| Return of capital | – | – | (1.98) |
| Closing net asset value per share | 2.66 | 2.78 | 3.02 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.32)% | (7.95)% | 14.68% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£'000) | 2,403 | 2,516 | 2,732 |
| Closing number of shares | 90,477,697 | 90,477,697 | 90,477,697 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

C USD INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 US\$ per share | 31.03.23 US\$ per share | 31.03.22 US\$ per share |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Opening net asset value per share | 0.0315 | 0.0367 | 0.0561 |
| Return before operating charges* | (0.0008) | (0.0051) | 0.0059 |
| Operating charges | – | (0.0001) | (0.0001) |
| Return after operating charges | (0.0008) | (0.0052) | 0.0058 |
| Return of capital | – | – | (0.0252) |
| Closing net asset value per share | 0.0307 | 0.0315 | 0.0367 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (2.54)% | (14.17)% | 10.34% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|-------|-------|-------|
| Closing net asset value (£'000) | – | – | – |
| Closing number of shares | 3,997 | 3,997 | 3,997 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

C USD ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 US\$ per share | 31.03.23 US\$ per share | 31.03.22 US\$ per share |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Opening net asset value per share | 0.0325 | 0.0378 | 0.0579 |
| Return before operating charges* | (0.0009) | (0.0052) | 0.0061 |
| Operating charges | – | (0.0001) | (0.0001) |
| Return after operating charges | (0.0009) | (0.0053) | 0.0060 |
| Return of capital | – | – | (0.0261) |
| Closing net asset value per share | 0.0316 | 0.0325 | 0.0378 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (2.77)% | (14.02)% | 10.36% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|---------|---------|---------|
| Closing net asset value (£'000) | 7 | 8 | 8 |
| Closing number of shares | 289,356 | 289,356 | 289,356 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

D INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.73 | 2.96 | 4.28 |
| Return before operating charges* | (0.13) | (0.22) | 0.64 |
| Operating charges | – | (0.01) | (0.01) |
| Return after operating charges | (0.13) | (0.23) | 0.63 |
| Return of capital | – | – | (1.95) |
| Closing net asset value per share | 2.60 | 2.73 | 2.96 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.76)% | (7.77)% | 14.72% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|---------|---------|---------|
| Closing net asset value (£'000) | 10 | 10 | 11 |
| Closing number of shares | 366,013 | 366,013 | 366,013 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

D ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.75 | 2.99 | 4.31 |
| Return before operating charges* | (0.12) | (0.23) | 0.64 |
| Operating charges | – | (0.01) | (0.01) |
| Return after operating charges | (0.12) | (0.24) | 0.63 |
| Return of capital | – | – | (1.95) |
| Closing net asset value per share | 2.63 | 2.75 | 2.99 |
| * after direct transaction costs of: | – | – | – |

PERFORMANCE

| | | | |
|----------------------|---------|---------|--------|
| Return after charges | (4.36)% | (8.03)% | 14.62% |
|----------------------|---------|---------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£'000) | 370 | 388 | 421 |
| Closing number of shares | 14,088,501 | 14,088,501 | 14,088,501 |
| Operating charges | 0.09% | 0.27% | 0.21% |
| Direct transaction costs | – | – | – |

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 31 March 2024

| Holding | Portfolio of Investments | Value £'000 | 31.03.24 % |
|------------|---|----------------|---------------|
| | INVESTMENT COMPANIES – 89.09% (31.03.23 – 89.95%) | | |
| 785,225 | SPL Parallel Private Equity (PE2) – GBP | 651 | 10.52 |
| 1,861,724 | SPL Private Finance (PF2) – GBP | 77 | 1.24 |
| 18,813,596 | SPL Realisation | 4,786 | 77.33 |
| | TOTAL INVESTMENT COMPANIES | <u>5,514</u> | <u>89.09</u> |
| | Portfolio of investments | 5,514 | 89.09 |
| | Net other assets | <u>675</u> | <u>10.91</u> |
| | Net assets | <u>6,189</u> | <u>100.00</u> |

The investments have been valued in accordance with note (G) of the Accounting Policies and are Guernsey Incorporated Cell Companies.

All investments are currently delisted.

LF ARCH CRU INVESTMENT PORTFOLIO
ACD'S REPORT *continued*
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 March 2024

There were no purchases or sales made during the year.

LF ARCH CRU INVESTMENT PORTFOLIO
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN

for the year ended 31 March 2024

| | Notes | £'000 | 31.03.24 £'000 | £'000 | 31.03.23 £'000 |
|--|-------|-------|-------------------|-------|-------------------|
| Income: | | | | | |
| Net capital losses | 2 | | (314) | | (552) |
| Revenue | 3 | 29 | | 10 | |
| Expenses | 4 | (5) | | (14) | |
| Net revenue/(expense) before taxation | | 24 | | (4) | |
| Taxation | 5 | - | | - | |
| Net revenue/(expense) after taxation | | | 24 | | (4) |
| Total return before distributions | | | (290) | | (556) |
| Distributions | 6 | | - | | - |
| Change in net assets attributable to shareholders from investment activities | | | (290) | | (556) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 March 2024

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--|-------------------|-------------------|
| Opening net assets attributable to shareholders | 6,479 | 7,035 |
| Change in net assets attributable to shareholders from investment activities | (290) | (556) |
| Closing net assets attributable to shareholders | 6,189 | 6,479 |

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 March 2024

| | Note | 31.03.24 £'000 | 31.03.23 £'000 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Investments | | 5,514 | 5,828 |
| Current assets | | | |
| Cash and cash equivalents | | 703 | 707 |
| Total assets | | 6,217 | 6,535 |
| LIABILITIES | | | |
| Creditors | | | |
| Bank overdrafts | | (18) | (39) |
| Other creditors | 9 | (10) | (17) |
| Total liabilities | | (28) | (56) |
| Net assets attributable to shareholders | | 6,189 | 6,479 |

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

STATEMENT OF CASH FLOWS

as at 31 March 2024

| | Notes | £'000 | 31.03.24 £'000 | £'000 | 31.03.23 £'000 |
|--|-------|-------|-------------------|---------|-------------------|
| Operating activities | | | | | |
| Gain/(loss) before tax | | 24 | | (4) | |
| Interest received | | (29) | | (10) | |
| (Decrease)/Increase in creditors | | (7) | | 2 | |
| Net cash flow used in operating activities | 7 | | (12) | | (12) |
| Investing activities | | | | | |
| Disposal of investments | | - | | 617 | |
| Interest received | | 29 | | 10 | |
| Net cash flow from investing activities | | | 29 | | 627 |
| Financing activities | | | | | |
| Return of capital | | - | | (2,078) | |
| Net cash flow used in financing activities | | | - | | (2,078) |
| Change in cash and cash equivalents | 8 | | 17 | | (1,463) |
| Cash and cash equivalents at the start of the financial year | | | 668 | | 2,131 |
| Cash and cash equivalents at the end of the financial year | | | 685 | | 668 |

LF ARCH CRU INVESTMENT PORTFOLIO
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1. Accounting Policies

The accounting policies described on pages 15 to 17 have been applied to the financial statements of the Fund in the current and prior year.

2. Net Capital Losses

The net capital losses during the year comprise:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------------------|-------------------|-------------------|
| Non-derivative securities | (314) | (552) |
| Net capital losses | (314) | (552) |

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

3. Revenue

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------|-------------------|-------------------|
| Bank interest | 29 | 10 |
| Total revenue | 29 | 10 |

4. Expenses

| | 31.03.24 £'000 | 31.03.23 £'000 |
|------------------------------|-------------------|-------------------|
| Other expenses: ¹ | 5 | 14 |
| Total expenses | 5 | 14 |

¹ Included within other expenses are audit fees paid to Ernst & Young LLP of £10,200 (31.03.23: £13,980).

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

5. Taxation

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| a) Analysis of charge for the year | | |
| Corporation tax at 20% | — | — |
| Current tax charge | — | — |
| Deferred tax – origination and reversal of timing differences (note 5c) | — | — |
| Total taxation (note 5b) | — | — |

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.03.23: 20%). The difference is explained below:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--|-------------------|-------------------|
| Net revenue/(expense) before taxation | 24 | (4) |
| Corporation tax at 20% | 5 | (1) |
| Effects of: | | |
| (Utilisation of)/unutilised excess management expenses | (5) | 1 |
| Corporation tax charge | — | — |
| Total tax charge (note 5a) | — | — |

c) Deferred tax

At the year end there is a potential deferred tax asset of £1,160,000 (31.03.23: £1,165,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

6. Distributions

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------------|-------------------|-------------------|
| Distributions | — | — |
| Total distributions | — | — |

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--------------------------------------|-------------------|-------------------|
| Distributions represented by: | | |
| Net revenue/(expense) after taxation | 24 | (4) |
| Allocations (to)/from capital: | | |
| Revenue | (24) | 4 |
| Net distributions for the year | - | - |

7. Reconciliation of Net Operating Gains to Net Cash Flow from Operating Activities

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| Change in net assets attributable to shareholders from investment activities | (290) | (556) |
| Net capital losses | 314 | 552 |
| (Decrease)/increase in creditors | (7) | 2 |
| Interest received | (29) | (10) |
| Net cash flow used in operating activities | (12) | (12) |

8. Reconciliation of Cash Flow to Movement in Net Other Assets

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| Change in cash and cash equivalents | 17 | (1,463) |
| Increase/(decrease) in creditors | 7 | (2) |
| Change in return of capital payable | - | 2,077 |
| Movement in net other assets in the year | 24 | 612 |
| Net other assets at the beginning of the year | 651 | 39 |
| Net other assets at the end of the year | 675 | 651 |

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

9. Other Creditors

| | 31.03.24 £'000 | 31.03.23 £'000 |
|-----------------------|-------------------|-------------------|
| Accrued expenses: | | |
| Other expenses | 10 | 17 |
| Total other creditors | <u>10</u> | <u>17</u> |

10. Related Party Transactions

Link Fund Manager Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Manager Solutions Limited or its associates) held the following shareholdings in the Fund:

| | 31.03.24 | 31.03.23 |
|-----------------------|------------------|------------------|
| A Income shares | 440,245 | 450,412 |
| A Accumulation shares | 10,266,243 | 10,425,478 |
| B Income shares | 22,718 | 22,718 |
| B Accumulation shares | 278,227 | 278,227 |
| D Income shares | 45,167 | 45,167 |
| D Accumulation shares | <u>2,913,759</u> | <u>3,024,079</u> |

A shareholder may be able to exercise significant influence over the financial and operating policies of a fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue:

| | |
|---------------------------|---------------------------|
| Transact Nominees Limited | 30.62% (31.03.23: 30.64%) |
|---------------------------|---------------------------|

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.03.23: none).

LF ARCH CRU INVESTMENT PORTFOLIO**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 March 2024

12. Shares in Issue

| | A Income | A Accumulation | B Income | B Accumulation |
|---------------------------------------|------------------|-----------------------|-------------------|-------------------|
| Annual Management Charge ¹ | – | – | – | – |
| Opening shares in issue | 5,463,726 | 87,947,665 | 36,398,778 | 90,477,697 |
| Closing shares in issue | <u>5,463,726</u> | <u>87,947,665</u> | <u>36,398,778</u> | <u>90,477,697</u> |
| | C USD Income | C USD Accumulation | D Income | D Accumulation |
| Annual Management Charge ¹ | – | – | – | – |
| Opening shares in issue | 3,997 | 289,356 | 366,013 | 14,088,501 |
| Closing shares in issue | <u>3,997</u> | <u>289,356</u> | <u>366,013</u> | <u>14,088,501</u> |

13. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

¹ Since 1 April 2009 the Annual Management Charge has been waived by ACD.

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

The Fund only sells securities in response to corporate action events issued by the Cells. Those transactions that the Fund enters into expose it to the risk that the Cells will not deliver the cash after the Fund has fulfilled its obligations.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund, through its investments in investment companies, has very limited indirect interest rate exposure and as such, no sensitivity analysis has been presented.

The table below shows the direct interest rate risk profile:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--|-------------------|-------------------|
| Floating rate assets: | | |
| Pounds sterling | 703 | 707 |
| Floating rate liabilities: | | |
| Pounds sterling | (18) | (39) |
| Assets on which interest is not paid: | | |
| Pounds sterling | 5,514 | 5,828 |
| Liabilities on which interest is not paid: | | |
| Pounds sterling | (10) | (17) |
| Net assets | <u>6,189</u> | <u>6,479</u> |

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents.

(C) FOREIGN CURRENCY RISK

The revenue and capital value of the Fund's investments are denominated in Sterling and, therefore, the financial statements are not subject to the risk of currency movements.

(D) LEVERAGE

The Fund did not employ any significant leverage during the current or prior year.

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

As previously advised, dealings in the Fund were suspended on 13 March 2009. The suspensions took place because of concerns about illiquidity in the Cells which all sub-funds are substantially invested in.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

The Fund is substantially invested in the shares of the Cells. Please refer to note (G) of the Accounting Policies.

The underlying assets of these Cells, taken as a whole, are investments in a limited range of assets, such as private equity, hedge funds, real estate linked investments, and other investments.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £276,000 (31.03.23: £291,000). A 5% decrease would have an equal and opposite effect.

(G) FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As there is significant uncertainty in the carrying value of investments, where fair value can no longer be reliably measured, the amounts eventually recovered may differ from the carrying value.

(H) DERIVATIVES

The Fund held no derivatives during the current or prior year.

LF ARCH CRU INVESTMENT PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

14. Portfolio Transaction Costs

There were no purchases in the year or prior year. Investments have been sold at the dealt price with no further transaction costs deducted from sales.

15. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(G) of the Accounting Policies).

| 31.03.24 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|-------------------|------------------|------------------|------------------|----------------|
| Investment assets | — | — | 5,514 | 5,514 |

| 31.03.23 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|-------------------|------------------|------------------|------------------|----------------|
| Investment assets | — | — | 5,828 | 5,828 |

LF ARCH CRU SPECIALIST PORTFOLIO ACD'S REPORT

for the year ended 31 March 2024

Important Information

Refer to 'Important Information' section on page 6.

Investment Objective and Policy

Given that LF Arch cru Specialist Portfolio ('the Fund') is being terminated on an orderly realisation basis, and given the illiquidity of the Cells, the management of the Fund does not involve active investment management of the assets. The investment management required for the Fund is essentially limited to a cash management role, i.e. receiving distributions/realisation proceeds from the Cells and passing these on to shareholders in the Fund.

The Fund is in the course of being terminated and is no longer available for investment.

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2024

In a letter to investors dated 26 February 2010, Capita Financial Managers Limited ('CFML'), now Link Fund Solutions Limited ('LFSL'), informed investors that it had applied to the Financial Conduct Authority ('FCA') in December 2009 for approval of the commencement of termination of LF Arch cru Investment Funds ('the Company') with effect from 1 February 2010. The FCA granted this approval and the winding up of the Company on an orderly realisation basis commenced with effect from 1 February 2010. As such, LFSL's investment management activity for the Company continues to be principally focused on decision making regarding whether to participate in corporate events proposed by the Guernsey Incorporated Cell Companies ('the Cells'), and cash management (i.e., receiving distributions/realisation proceeds from the Guernsey Cells and passing these on to shareholders in the LF Arch cru Investment Funds). LFSL is not charging any fees for performing this role.

On 4 July 2024 the Cells published their Report and Financial Statements in which the Chairman's Statement provides an overview of the past year and forward-looking comment on the ability of the combined Cells to make further distributions. In summary, the Chairman has noted various matters which are summarised below:

1. Net assets are now £8.3 million.
2. Litigation continues in Greece and Dubai which will now continue well into 2025 and potentially beyond. The litigation claims necessarily require the Cells to maintain substantial liquidity buffers to enable the process to be concluded and to guard against the procedural manoeuvres the Cell's adversaries would undoubtedly otherwise employ to frustrate attempts at recovery.
3. The Chairman further notes that the combined net assets of the Cells as of 31 March 2024, totalling £8.9mn, 14% relates to JPEL Private Equity Limited, 6% to various hedge funds and property, and 80% to cash.

Post the year-end a further £247,000 has been returned by one of the Cells, to certain of the LF Arch cru Funds. However, this did not provide, when combined with cash held by the various LF Arch cru Funds, sufficient cash for the LF Arch cru Funds to make a meaningful distribution. LFSL continues to monitor the position closely but does not envisage that the sixteenth capital distribution will be made to the Fund's shareholders any earlier than late 2025.

LINK FUND SOLUTIONS LIMITED

ACD of LF Arch cru Specialist Portfolio

31 July 2024

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION

Fund Performance

Due to the suspension of the Fund on 13 March 2009, no Fund Performance is reported for the year to 31 March 2024.

Risk and Reward Profile

Due to the suspension of the Fund on 13 March 2009, no Risk and Reward Profile is reported.

Income Distributions

There were no income distributions in the current or prior year.

Comparative Tables

Due to the suspension of the Fund on 13 March 2009, no highest and lowest prices are reported.

A INCOME SHARES

| | 31.03.24 | 31.03.23 | 31.03.22 |
|--------------------------------------|-----------------|-----------------|-----------------|
| CHANGE IN NET ASSETS PER SHARE | pence per share | pence per share | pence per share |
| Opening net asset value per share | 2.77 | 3.10 | 4.05 |
| Return before operating charges* | (0.10) | (0.22) | 0.63 |
| Operating charges | (0.05) | (0.11) | (0.11) |
| Return after operating charges | (0.15) | (0.33) | 0.52 |
| Return of capital | - | - | (1.47) |
| Closing net asset value per share | 2.62 | 2.77 | 3.10 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.42)% | (10.65)% | 12.84% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|---------|---------|---------|
| Closing net asset value (£'000) | 3 | 4 | 4 |
| Closing number of shares | 128,413 | 128,413 | 128,413 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

A ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.78 | 3.11 | 4.06 |
| Return before operating charges* | (0.10) | (0.22) | 0.63 |
| Operating charges | (0.05) | (0.11) | (0.11) |
| Return after operating charges | (0.15) | (0.33) | 0.52 |
| Return of capital | - | - | (1.47) |
| Closing net asset value per share | 2.63 | 2.78 | 3.11 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.40)% | (10.61)% | 12.81% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|-----------|-----------|-----------|
| Closing net asset value (£'000) | 120 | 126 | 141 |
| Closing number of shares | 4,556,439 | 4,556,439 | 4,556,439 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

B INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.82 | 3.15 | 4.11 |
| Return before operating charges* | (0.10) | (0.21) | 0.64 |
| Operating charges | (0.05) | (0.12) | (0.11) |
| Return after operating charges | (0.15) | (0.33) | 0.53 |
| Return of capital | - | - | (1.49) |
| Closing net asset value per share | 2.67 | 2.82 | 3.15 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.32)% | (10.48)% | 12.90% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|-----------|-----------|-----------|
| Closing net asset value (£'000) | 44 | 46 | 52 |
| Closing number of shares | 1,638,603 | 1,638,603 | 1,638,603 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

B ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.84 | 3.17 | 4.15 |
| Return before operating charges* | (0.11) | (0.21) | 0.64 |
| Operating charges | (0.05) | (0.12) | (0.11) |
| Return after operating charges | (0.16) | (0.33) | 0.53 |
| Return of capital | - | - | (1.51) |
| Closing net asset value per share | 2.68 | 2.84 | 3.17 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.63)% | (10.41)% | 12.77% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|-----------|-----------|-----------|
| Closing net asset value (£'000) | 141 | 149 | 167 |
| Closing number of shares | 5,267,194 | 5,267,194 | 5,267,194 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

C USD INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 US\$ per share | 31.03.23 US\$ per share | 31.03.22 US\$ per share |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Opening net asset value per share | 0.0334 | 0.0401 | 0.0553 |
| Return before operating charges* | (0.0006) | (0.0053) | 0.0061 |
| Operating charges | (0.0006) | (0.0014) | (0.0014) |
| Return after operating charges | (0.0012) | (0.0067) | 0.0047 |
| Return of capital | - | - | (0.0199) |
| Closing net asset value per share | 0.0322 | 0.0334 | 0.0401 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|-------|
| Return after charges | (3.59)% | (16.71)% | 8.50% |
|----------------------|---------|----------|-------|

OTHER INFORMATION

| | | | |
|---------------------------------|-------|-------|-------|
| Closing net asset value (£'000) | - | - | - |
| Closing number of shares | 964 | 964 | 964 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

C USD ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 US\$ per share | 31.03.23 US\$ per share | 31.03.22 US\$ per share |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Opening net asset value per share | 0.0340 | 0.0407 | 0.0560 |
| Return before operating charges* | (0.0007) | (0.0053) | 0.0062 |
| Operating charges | (0.0006) | (0.0014) | (0.0014) |
| Return after operating charges | (0.0013) | (0.0067) | 0.0048 |
| Return of capital | - | - | (0.0201) |
| Closing net asset value per share | 0.0327 | 0.0340 | 0.0407 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|-------|
| Return after charges | (3.82)% | (16.46)% | 8.57% |
|----------------------|---------|----------|-------|

OTHER INFORMATION

| | | | |
|---------------------------------|--------|--------|--------|
| Closing net asset value (£'000) | 1 | 1 | 1 |
| Closing number of shares | 27,529 | 27,529 | 27,529 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

D INCOME SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.80 | 3.14 | 4.10 |
| Return before operating charges* | (0.10) | (0.22) | 0.64 |
| Operating charges | (0.05) | (0.12) | (0.11) |
| Return after operating charges | (0.15) | (0.34) | 0.53 |
| Return of capital | - | - | (1.49) |
| Closing net asset value per share | 2.65 | 2.80 | 3.14 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.36)% | (10.83)% | 12.93% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|--------|--------|--------|
| Closing net asset value (£'000) | 2 | 3 | 3 |
| Closing number of shares | 91,983 | 91,983 | 91,983 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

D ACCUMULATION SHARES

| CHANGE IN NET ASSETS PER SHARE | 31.03.24 pence per share | 31.03.23 pence per share | 31.03.22 pence per share |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening net asset value per share | 2.81 | 3.14 | 4.11 |
| Return before operating charges* | (0.10) | (0.21) | 0.63 |
| Operating charges | (0.05) | (0.12) | (0.11) |
| Return after operating charges | (0.15) | (0.33) | 0.52 |
| Return of capital | - | - | (1.49) |
| Closing net asset value per share | 2.66 | 2.81 | 3.14 |
| * after direct transaction costs of: | - | - | - |

PERFORMANCE

| | | | |
|----------------------|---------|----------|--------|
| Return after charges | (5.34)% | (10.51)% | 12.65% |
|----------------------|---------|----------|--------|

OTHER INFORMATION

| | | | |
|---------------------------------|---------|---------|---------|
| Closing net asset value (£'000) | 10 | 11 | 12 |
| Closing number of shares | 378,566 | 378,566 | 378,566 |
| Operating charges | 1.76% | 5.12% | 3.03% |
| Direct transaction costs | - | - | - |

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 31 March 2024

| Holding | Portfolio of Investments | Value £'000 | 31.03.24 % |
|---------|---|----------------|---------------|
| | INVESTMENT COMPANIES – 88.16% (31.03.23 – 87.64%) | | |
| 37,706 | SPL Parallel Private Equity (PE2) – GBP | 31 | 9.66 |
| 10,682 | SPL Private Finance (PF2) – GBP | – | – |
| 989,970 | SPL Realisation | 252 | 78.50 |
| | TOTAL INVESTMENT COMPANIES | <u>283</u> | <u>88.16</u> |
| | Portfolio of investments | 283 | 88.16 |
| | Net other assets | 38 | 11.84 |
| | Net assets | <u>321</u> | <u>100.00</u> |

The investments have been valued in accordance with note (G) of the Accounting Policies and are Guernsey Incorporated Cell Companies.

All investments are currently delisted.

LF ARCH CRU SPECIALIST PORTFOLIO

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 March 2024

There were no purchases or sales made during the year.

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 March 2024

| | Notes | £'000 | 31.03.24 £'000 | £'000 | 31.03.23 £'000 |
|--|-------|-------|-------------------|-------|-------------------|
| Income: | | | | | |
| Net capital losses | 2 | | (14) | | (27) |
| Revenue | 3 | 2 | | 1 | |
| Expenses | 4 | (7) | | (14) | |
| Net expense before taxation | | (5) | | (13) | |
| Taxation | 5 | - | | - | |
| Net expense after taxation | | | (5) | | (13) |
| Total return before distributions | | | (19) | | (40) |
| Distributions | 6 | | - | | - |
| Change in net assets attributable to shareholders from investment activities | | | (19) | | (40) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 March 2024

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--|-------------------|-------------------|
| Opening net assets attributable to shareholders | 340 | 380 |
| Change in net assets attributable to shareholders from investment activities | (19) | (40) |
| Closing net assets attributable to shareholders | 321 | 340 |

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 March 2024

| | Note | 31.03.24 £'000 | 31.03.23 £'000 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Investments | | 283 | 298 |
| Current assets | | | |
| Cash and cash equivalents | | 89 | 102 |
| Total assets | | 372 | 400 |
| LIABILITIES | | | |
| Investment liabilities | | | |
| Creditors | | | |
| Bank overdrafts | | (41) | (46) |
| Other creditors | 9 | (10) | (14) |
| Total liabilities | | (51) | (60) |
| Net assets attributable to shareholders | | 321 | 340 |

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

STATEMENT OF CASH FLOWS

as at 31 March 2024

| | Notes | £'000 | 31.03.24 £'000 | £'000 | 31.03.23 £'000 |
|--|-------|-------|-------------------|-------|-------------------|
| Operating activities | | | | | |
| Loss before tax | | (5) | | (13) | |
| Interest received | | (1) | | - | |
| (Decrease)/increase in creditors | | (4) | | 1 | |
| Net cash flow used in operating activities | 7 | | (10) | | (12) |
| Investing activities | | | | | |
| Disposal of investments | | - | | 29 | |
| Interest received | | 2 | | 1 | |
| Net cash flow from investing activities | | | 2 | | 30 |
| Financing activities | | | | | |
| Return of capital | | - | | (89) | |
| Net cash flow used in financing activities | | | - | | (89) |
| Change in cash and cash equivalents | 8 | | (8) | | (71) |
| Cash and cash equivalents at the start of the financial year | | | 56 | | 127 |
| Cash and cash equivalent at the end of the financial year | | | 48 | | 56 |

LF ARCH CRU SPECIALIST PORTFOLIO
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1. Accounting Policies

The accounting policies described on pages 15 to 17 have been applied to the financial statements of the Fund in the current and prior year.

2. Net Capital Losses

The net capital losses during the year comprise:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------------------|-------------------|-------------------|
| Non-derivative securities | (14) | (27) |
| Net capital losses | (14) | (27) |

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

3. Revenue

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------|-------------------|-------------------|
| Bank interest | 2 | 1 |
| Total revenue | 2 | 1 |

4. Expenses

| | 31.03.24 £'000 | 31.03.23 £'000 |
|------------------------------|-------------------|-------------------|
| Other expenses: ¹ | 7 | 14 |
| Total expenses | 7 | 14 |

¹ Included within other expenses are audit fees paid to Ernst & Young LLP of £10,200 (31.03.23: £13,980).

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

5. Taxation

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| a) Analysis of charge for the year | | |
| Corporation tax at 20% | — | — |
| Current tax charge | — | — |
| Deferred tax – origination and reversal of timing differences (note 5c) | — | — |
| Total taxation (note 5b) | — | — |

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.03.23: 20%). The difference is explained below:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------------------------------|-------------------|-------------------|
| Net expense before taxation | (5) | (13) |
| Corporation tax at 20% | (1) | (3) |
| Effects of: | | |
| Unutilised excess management expenses | 1 | 3 |
| Corporation tax charge | — | — |
| Total tax charge (note 5a) | — | — |

c) Deferred tax

At the year end there is a potential deferred tax asset of £108,000 (31.03.23: £107,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

6. Distributions

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---------------------|-------------------|-------------------|
| Distributions | — | — |
| Total distributions | — | — |

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--------------------------------|-------------------|-------------------|
| Distributions represented by: | | |
| Net expense after taxation | (5) | (13) |
| Allocations to capital: | | |
| Revenue deficit | 5 | 13 |
| Net distributions for the year | <u>-</u> | <u>-</u> |

7. Reconciliation of Net Operating Gains to Net Cash Flow from Operating Activities

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| Change in net assets attributable to shareholders from investment activities | (19) | (40) |
| Net capital gains | 14 | 27 |
| (Decrease)/increase in creditors | (4) | 1 |
| Net cash flow used in operating activities | <u>(9)</u> | <u>(12)</u> |

8. Reconciliation of Cash Flow to Movement in Net Other Assets

| | 31.03.24 £'000 | 31.03.23 £'000 |
|---|-------------------|-------------------|
| Change in cash and cash equivalents | (8) | (71) |
| Increase/(decrease) in creditors | 4 | (1) |
| Change in return of capital payable | - | 89 |
| Movement in net other assets in the year | <u>(4)</u> | <u>17</u> |
| Net other assets at the beginning of the year | <u>42</u> | <u>25</u> |
| Net other assets at the end of the year | <u>38</u> | <u>42</u> |

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

9. Other Creditors

| | 31.03.24 £'000 | 31.03.23 £'000 |
|-----------------------|-------------------|-------------------|
| Accrued expenses: | | |
| Other expenses | 10 | 14 |
| Total other creditors | <u>10</u> | <u>14</u> |

10. Related Party Transactions

Link Fund Manager Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Manager Solutions Limited or its associates) held the following shareholdings in the Fund:

| | 31.03.24 | 31.03.23 |
|-----------------------|---------------|---------------|
| A Income shares | 6,171 | 6,171 |
| A Accumulation shares | 738,582 | 738,582 |
| B Accumulation shares | 8,773 | 8,773 |
| D Income shares | 2,570 | 2,570 |
| D Accumulation shares | <u>78,347</u> | <u>78,347</u> |

A shareholder may be able to exercise significant influence over the financial and operating policies of a fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue:

| | |
|---------------------------|---------------------------|
| Transact Nominees Limited | 40.87% (31.03.23: 40.96%) |
|---------------------------|---------------------------|

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.03.23: none).

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

12. Shares in Issue

| | A Income | A Accumulation | B Income | B Accumulation |
|---------------------------------------|-------------|-------------------|-------------|-------------------|
| Annual Management Charge ¹ | – | – | – | – |
| Opening shares in issue | 128,413 | 4,556,439 | 1,638,603 | 5,267,194 |
| Closing shares in issue | 128,413 | 4,556,439 | 1,638,603 | 5,267,194 |

| | C USD Income | C USD Accumulation | D Income | D Accumulation |
|---------------------------------------|-----------------|-----------------------|-------------|-------------------|
| Annual Management Charge ¹ | – | – | – | – |
| Opening shares in issue | 964 | 27,529 | 91,983 | 378,566 |
| Closing shares in issue | 964 | 27,529 | 91,983 | 378,566 |

13. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

¹ Since 1 April 2009 the Annual Management Charge has been waived by ACD.

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

The Fund only sells securities in response to corporate action events issued by the Cells. Those transactions that the Fund enters into expose it to the risk that the Cells will not deliver the cash after the Fund has fulfilled its obligations.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund, through its investments in investment companies, has very limited indirect interest rate exposure and as such, no sensitivity analysis has been presented.

The table below shows the direct interest rate risk profile:

| | 31.03.24 £'000 | 31.03.23 £'000 |
|--|-------------------|-------------------|
| Floating rate assets: | | |
| Pounds sterling | 89 | 102 |
| Floating rate liabilities: | | |
| Pounds sterling | (41) | (46) |
| Assets on which interest is not paid: | | |
| Pounds sterling | 283 | 298 |
| Liabilities on which interest is not paid: | | |
| Pounds sterling | (10) | (14) |
| Net assets | <u>321</u> | <u>340</u> |

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents.

(C) FOREIGN CURRENCY RISK

The revenue and capital value of the Fund's investments are denominated in Sterling and, therefore, the financial statements are not subject to the risk of currency movements.

(D) LEVERAGE

The Fund did not employ any significant leverage during the current or prior year.

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

As previously advised, dealings in the Fund were suspended on 13 March 2009. The suspensions took place because of concerns about illiquidity in the Cells which all sub-funds are substantially invested in.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

The Fund is substantially invested in the shares of the Cells. Please refer to note (G) of the Accounting Policies.

The underlying assets of these Cells, taken as a whole, are investments in a limited range of assets, such as private equity, hedge funds, real estate linked investments, and other investments.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £14,000 (31.03.23: £15,000). A 5% decrease would have an equal and opposite effect.

(G) FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As there is significant uncertainty in the carrying value of investments, where fair value can no longer be reliably measured, the amounts eventually recovered may differ from the carrying value.

(H) DERIVATIVES

The Fund held no derivatives during the current or prior year.

LF ARCH CRU SPECIALIST PORTFOLIO

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2024

14. Portfolio Transaction Costs

There were no purchases in the year or prior year. Investments have been sold at the dealt price with no further transaction costs deducted from sales.

15. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(G) of the Accounting Policies).

| 31.03.24 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|-------------------|------------------|------------------|------------------|----------------|
| Investment assets | — | — | 283 | 283 |

| 31.03.23 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|-------------------|------------------|------------------|------------------|----------------|
| Investment assets | — | — | 298 | 298 |

GENERAL INFORMATION

Head Office: 6th Floor, 65 Gresham Street, London EC2V 7NQ.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Company is pounds sterling. Each sub-fund and share class is designated in pounds sterling.

Share Capital: The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

Structure of LF Arch cru Investment Funds

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary.

The sub-funds are operated separately and the assets of each sub-fund are managed in accordance with the investment objective and policy applicable to that sub-fund.

It is not the intention of the ACD to launch any further sub-funds.

On 1 February 2010 the FCA granted permission to wind up the Company.

Classes of Shares

Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Buying and Selling Shares

Dealing is currently suspended as the sub-funds are being wound up on an orderly realisation basis.

Other Information

The Instrument of Incorporation, Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

GENERAL INFORMATION *continued*

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Risk Warning

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0345 922 0044

 linkfundsolutions.co.uk