Global Specialised Opportunities 1 Limited

(Registration Number: 48779)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2014

Contents

Company Information

Investment Manager:	Grovepoint Capital LLP 8-12 York Gate London NW1 4QG
Administrator, Registrar and Secretary:	Legis Fund Services Limited PO Box 91 11 New Street St Peter Port Guernsey, GY1 3EG
Directors of the Company:	Mr Stephen Henry Mr Brian O'Mahoney
Auditor:	Saffery Champness La Tonnelle House Les Banques St Sampson Guernsey, GY1 3HS
Legal Advisers in Guernsey:	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Advisers in Bermuda:	Appleby Canon's Court 22 Victoria Street Hamilton, HM12 Bermuda
Legal Advisers in South Africa:	Norton Rose Fullbright 10th Floor Norton Rose Fullbright House Cape Town 8001 South Africa
Listing Sponsor:	Appleby Securities (Bermuda) Limited Argyle House 41 a Cedar Avenue Hamilton HM12 Bermuda
Annual Sponsor:	Clarien BSX Services Ltd(formerly known as Capital G BSX Services Limited) 21-25 Reid Street Hamilton HM 11 Bermuda
Custodian and Structural Facilitator:	Investec Bank (Switzerland) AG Lowenstrasse 29 CH-8001 Zurich Switzerland

Investment Manager's Commentary

Performance

Global Specialised Opportunities 1 Limited (“GSO1” or the “Company”) generated a positive return for shareholders of 12.19% over the financial year on a time-weighted basis. This brings the Company’s cumulative return since the inception on 27 June 2008 to 27.39%. On 6 November 2013, the Company exercised a compulsory redemption which returned 17.67% of the original cost basis back to shareholders. This redemption took the total distributions to shareholders to 43.17% of the original cost.

Global markets have been accommodating over the past financial year and the Company’s underlying investment vehicles have taken advantage of the conditions by selling into this market strength. Of the 19 investments in GSO1’s portfolio, 3 are now fully liquidated, 13 are actively exiting their portfolios, and 3 investments are nearing the end of their respective investment phases. All 4 strategies received net distributions over the financial year, with investments in the Distressed Opportunities strategy liquidating at the fastest pace. The Distressed Opportunities investments were also the strongest performers over the year. The Special Situations and Property strategies also performed strongly, while the investment valuations for the Niche Private Equity strategy, which is focused on emerging markets, remained largely unchanged.

We expect GSO1 to receive further significant distribution proceeds over the coming quarters as the underlying investment vehicles continue to liquidate their holdings. Subsequent to the 2014 financial year end, the Company executed a further redemption, returning 16.31% of the original cost to shareholders. Following this redemption, the total distributions to shareholders amount to 59.48% of capital raised.

We remain pleased with the Company’s performance. The underlying investments have continued to post positive returns with relatively low volatility over a period which saw the deepest global financial crisis in living memory and significant market volatility around the globe. Since its inception in June 2008, before the Lehman Brothers collapse, GSO1 has generated a cumulative net gain of 27.39% to 31 March 2014, which compares favourably with an increase of MSCI World Equity Index of 19.77% and a decrease in the MSCI Emerging Market Equity Index of -9.21% over the equivalent period.

Asset Allocation

At the financial year end, GSO1’s portfolio consisted of 94.3% in the Specialised Opportunities Portfolio with the remaining held in cash pending distribution to shareholders. The Specialised Opportunities Portfolio was fully committed with approximately USD 75m of commitments to 19 investment vehicles across the 4 targeted strategies as follows: Distressed Opportunities USD 24.4m; Special Situations USD 15.6m; Niche Private Equity USD 11.1m; Niche Property USD 24.2m.

Further information and commentary on the performance of GSO1 can be found in the Company’s Quarterly Report sent to shareholders.

Grovepoint Capital LLP

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Principal Activities

The Company's principal activity is to carry on the business of an investment holding company investing in a diversified portfolio of private equity, property, distressed debt and other specialised opportunities.

Results

The results for the year are shown in the Statement of Total Return on page 6.

Dividends

The Directors declared an interim dividend of USDNil (2013: USD10,100,000).

Directors

The Directors of the Company who served throughout the year and to the date of this report were as follows:

Mr Stephen Henry
Mr Brian O'Mahoney
Mr David Fitch (resigned on 31 March 2014)

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Statement of Disclosure of Information to Auditor

Each of the Directors at the date of approval of the financial statements, confirms that:

1. So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. He has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008, as amended.

Independent Auditor

A resolution for re-appointment of Saffery Champness as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS (continued)

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S Henry	B O'Mahoney
Director	Director

Date: 24 September 2014

Independent Auditor's Report to the Shareholders of Global Specialised Opportunities 1 Limited

We have audited the financial statements of Global Specialised Opportunities 1 Limited for the year ended 31 March 2014 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Ordinary Shares, the Statement of Assets and Liabilities, the Statement of Cash Flow and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Principles).

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008, as amended. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the United Kingdom Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Managers' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view; and
- are in accordance with Generally Accepted Accounting Principles; and
- comply with The Companies (Guernsey) Law, 2008, as amended.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 as amended, requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
Guernsey

Date: 24 September 2014

Statement of Total Return for the year ended 31 March 2014

	Notes	31 March 2014 USD	Restated (Note 16) 31 March 2013 USD
Revenue			
Net gain on investments during the year	5	484,161	975,822
Other income	6	5,955,138	2,319,596
Expenses	7	(1,078,576)	(1,122,922)
Net currency gain/(loss)		5,576	(19,460)
Increase in net assets attributable to ordinary shares		5,366,299	2,153,036

In arriving at the results for the financial period, all amounts above relate to continuing operations.

There are no recognised gains or losses for the year other than those disclosed above.

Statement of Changes in Net Assets Attributable to Ordinary Shares for the year ended 31 March 2014

Increase in net assets attributable to Ordinary shares		5,366,299	2,153,036
Net assets at the beginning of the year		50,833,627	58,780,591
Redemptions during the year		(9,750,000)	-
Dividends paid		-	(10,100,000)
Net assets at the end of the year	10	46,449,926	50,833,627

The notes on pages 9 to 17 form an integral part of these financial statements.

Statement of Assets and Liabilities as at 31 March 2014

Assets	Notes	**31 March 2014 USD**	**31 March 2013 USD**
Fixed assets			
Investments	5	43,816,583	50,955,292
		43,816,583	50,955,292
Current assets			
Other receivables	8	10,066	6,872
Cash and bank balances		3,207,083	537,116
		3,217,149	543,988
Liabilities			
Current liabilities			
Other payables	9	(583,804)	(665,651)
Net current assets/(liabilities)		2,633,345	(121,663)
TOTAL NET ASSETS		46,449,928	50,833,629
Net assets attributable to holders of Ordinary shares	10	46,449,926	50,833,627
Net assets attributable to holders of Management shares	12	2	2
Ordinary shares in issue	12	41,877.405	51,579.189
Net asset value per Ordinary share	10	1,109.1883	985.5453

The financial statements were approved by the Board of Directors and authorised for issue on 24 September 2014.

S Henry
Director

B O'Mahoney
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

Statement of Cash Flow for the year ended 31 March 2014

	31 March 2014 USD	Restated (Note 16) 31 March 2013 USD
Reconciliation of increase in Net Assets attributable to Ordinary shares to net cash flows from operating activities.		
Increase in Net Assets attributable to Ordinary shares	5,366,299	2,153,036
Loss/(gain) realised on investments sold during the year	1,207,852	(346,916)
Net unrealised market appreciation of net assets	(1,692,013)	(715,823)
Net unrealised currency exchange (gain)/loss	(5,576)	86,914
(Increase)/decrease in debtors	(3,194)	222,102
Decrease in creditors	(79,209)	(374,075)
Net cash inflow from operating activities	**4,794,159**	**1,025,238**
Net cash flows from investing activities		
Purchase of investments	(4,839,205)	(10,010,594)
Sale of investments	12,465,013	15,278,330
Net cash inflows from investing activities	7,625,808	5,267,736
Net cash flows from financing activities		
Redemption of shares	(9,750,000)	-
Dividends paid	-	(10,100,000)
Net cash outflows from financing activities	(9,750,000)	(10,100,000)
Net increase/(decrease) in cash and cash equivalents	**2,669,967**	**(3,807,026)**
Cash at the beginning of the year	**537,116**	**4,344,142**
Cash at the end of the year	**3,207,083**	**537,116**

The notes on pages 9 to 17 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2014

1. General Information

Global Specialised Opportunities 1 Limited is a closed-ended investment Company established under the laws of Guernsey with limited liability on 16 April 2008.

The Company's main objective is to invest in a diversified portfolio of private equity, distressed debt and other specialised opportunities. The Company will capitalise on the expertise of some of the leading global specialised advisors and managers and will focus on key themes identified by the Investment Manager as areas of potential out performance over the next 3-5 years.

The Company will target investment opportunities in four key investment strategies which are collectively defined as the "Specialised Opportunities Portfolio". The targeted investment strategies are as follows:
(a) Distressed opportunities
(b) Special situations and sector specific opportunities
(c) Niche private equity
(d) Niche property

Surplus liquidity within the Company will be managed in an investment portfolio pending draw down by or commitment to the Specialised Opportunities Portfolio. The investment portfolio will be managed under a discretionary mandate by the Investment Manager. The investment portfolio will benefit from the input, expertise and monitoring of the Investment Manager's investment forum made up of several experienced investment practitioners and led by the Chief Investment Officer and will utilise a broad range of investment products aimed at delivering an optimal strategic solution for achieving cash plus returns with carefully managed risk.

The Company's ordinary shares are listed on the Bermuda Stock Exchange.

2. Accounting Policies

(a) Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with United Kingdom Accounting Standards and applicable Guernsey Law and give a true and fair view. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the year unless otherwise stated.

(b) Foreign exchange

Foreign currency assets and liabilities are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of transaction. Foreign exchange gains and losses are included in the Statement of Total Return.

(c) Investments

Listed investments that are regularly traded are valued at their last traded price on the relevant business day. Unlisted investments and those in investment vehicles will generally have independent valuers and administrators and report quarterly to their investors. The reports to investors will generally be used as the basis for valuation but the Directors do have discretion to determine which of those prices shall apply.

The difference between cost and valuation, being an unrealised surplus/deficit on investments, is recognised in the Statement of Total Return. Realised surpluses and deficits on part sales of investments are arrived at by deducting the average costs of such investments from their sale proceeds and are recognised in the Statement of Total Return.

(d) Revenue and expenses

Revenue includes interest on deposits and other money market instruments and is accounted for on an accruals basis. Dividend income arising on the Company's investments is recognised when the underlying investments become ex-dividend or when the Company's right to dividend in its underlying investments is established. Expenses are service charges and investment related fees which are recognised on an accrual basis.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

2. Accounting Policies (continued)

(e) Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

(f) Cash and cash equivalent

Cash and bank balances comprise of cash at bank and cash held in the investment portfolio.

3. Taxation

The Company is exempt from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The Company pays an annual fee to the States of Guernsey Income Tax Office, presently set at £600.

4. Fees

The Investment Management fee is based on 1.05% of the Net Asset Value and accrued quarterly. Fees charged by the Investment Manager during the year were USD523,256 (2013: USD595,394), of which USD242,237 (2013: USD293,439) remained unpaid at 31 March 2014. The Investment Manager is also entitled to a Performance Incentive Fee which is calculated at 15% on the Company's performance over and above the Hurdle rate, which amount (whether positive or negative) shall be accrued quarterly and paid out on the Termination date. The Company's performance shall be calculated as the Internal Rate of Return of the Company's quarterly NAV plus any amounts paid out as distributions, share purchases and redemptions. Performance fees for the year were USDNil (2013: USDNil).

The Company pays a fee of 0.1% per annum of the Company's Net Asset Value to the Structural Facilitator which is accrued at the end of each quarter. Fees charged by the Structural Facilitator during the year were USD49,834 (2013: USD56,704), of which USD49,834 (2013: USD56,704) remained unpaid at 31 March 2014.

The Company pays a fee of 0.2% per annum of the Company's Net Asset Value to Investec Bank (Switzerland) AG as a custody fee which is accrued at the end of each quarter. Fees charged by the Custodian during the year were USD99,668 (2013: USD113,408), of which USD42,192 (2013: USD51,946) remained unpaid at 31 March 2014.

The Administrator is entitled to a fixed annual fee of USD67,500 for providing administration, valuation, compliance and accounting functions and an additional USD5,000 per Board meeting and USD2,500 per additional ad hoc meeting. Fees charged by the Administrator during the year were USD 110,233 (2013: USD72,307), of which USD17,075 (2013: USDNil) remained unpaid at 31 March 2014.

The Director's fees are equal to USD13,000 per annum per Director. Stephen Henry and David Fitch have agreed to waive their fees. Director's fees payable to Brian O'Mahoney during the year were USD13,000 (2013: USD13,000), of which USD6,511 (2013: USD6,511) remained unpaid at 31 March 2014.

The Distributors shall be entitled to an annual fee of 0.4% of the NAV of the Company for acting as independent introducers of underlying investors to the Company. The Distributors fee is payable annually in arrears. The expense charged to the Statement of Total Return account in the year ending 31 March 2014 was USD198,499 (2013: USD227,026), of which USD 199,336 (2013 USD 228,910) remained unpaid at 31 March 2014.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

5. Net Gain on Investments

	2014 USD	Restated 2013 USD
The net gain/(loss) on investments during the year comprises:		
Proceeds from sale of investments during the year	12,465,013	15,278,330
Original cost of investments sold during the year	(13,672,865)	(14,931,414)
Realised (loss)/ gain on investments sold during the year	(1,207,852)	346,916
Net unrealised gains in value of investments for the year	1,692,013	628,906
Total	484,161	975,822

Financial assets designated at fair value through profit or loss	2014 USD	Restated 2013 USD
Opening portfolio cost	40,604,411	45,525,230
Additions at cost	4,839,205	10,010,595
Disposals proceeds	(12,465,013)	(15,278,330)
Realised (loss)/gain on disposal of investments	(1,207,852)	346,916
Closing portfolio cost	**31,770,751**	**40,604,411**
Accumulated unrealised gain on investments	12,045,832	10,350,881
Closing valuation	**43,816,583**	**50,955,292**
Net unrealised gains in value of investments for the year	1,692,013	628,906
Realised (loss)/gain on disposal of investments	(1,207,852)	346,916
Change in fair value of financial assets designated at fair value through profit or loss	**484,161**	**975,822**

6. Other Income

	2014 USD	2013 USD
Interest receivable	97	26,144
Investment income*	5,955,041	2,293,452
	5,955,138	2,319,596

*Investment income consists of dividend income and other income received by the Company from its interest in underlying investments.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

7. Expenses

	2014 USD	2013 USD
Administration and secretarial fees	110,233	72,307
Audit fee	29,188	25,091
Bank charges	3,884	2,151
Custodian fee	99,668	113,408
Director's remuneration	13,000	13,000
Distributor fee	198,499	227,026
Investment management fee	523,256	595,394
Legal expenses	51	147
Listing sponsor fee	4,550	6,000
Loan arrangement fee	25,000	-
Other fees	13,090	4,727
Regulatory fee	8,323	6,967
Structuring fee	49,834	56,704
	1,078,576	1,122,922

8. Other Receivables

	2014 USD	2013 USD
Sundry debtors	10,066	6,872
	10,066	6,872

9. Other Payables

	2014 USD	2013 USD
Investment management fee	242,237	293,439
Income distribution payable	-	4,209
Administration fee	17,075	-
Audit fee	26,619	23,932
Custodian fee	42,192	51,946
Director's remuneration	6,511	6,511
Distributor fee	199,336	228,910
Stuctural facilitator's fee	49,834	56,704
	583,804	665,651

10. Net Asset Value per Share

	2014 USD	2013 USD
Traded Net Asset Value at 31 March	46,454,623	50,840,563
Adjustments to year end accruals	(4,697)	(6,936)
Reported Net Assets Value at 31 March	46,449,926	50,833,627
Traded Net Asset value per share	1,109.3004	985.6798
Reported Net Asset value per share	1,109.1883	985.5453

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

11. Financial Instruments

The Company, during the normal course of business, enters into investment transactions in financial instruments, the holding of which gives exposure to the following risks:

(a) Interest rate risk

The Company is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on cash balances. All of these cash balances receive interest at a floating rate. This interest rate risk is not considered to be significant.

(b) Liquidity risk

The Company is likely to be committing the Company's funds to investments of a long-term and illiquid nature whose shares are not listed on any stock exchange. Such investments are likely to involve a relatively high degree of risk, and the timing of cash distributions to investors is uncertain and unpredictable. Liquidity risk is mitigated by the fact that prior to the Redemption date, investors have no right to have their shares redeemed by the Company.

The Company maintains surplus cash of both United States Dollars and Euros in two day notice fiduciary call accounts. These funds are made available as and when required to meet ongoing investment requirements.

In June 2013, the Company entered into a USD12 million facility with Investec Bank (Channel Islands) Limited. This further reduces the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's main financial commitments are its ongoing annual operating expenses.

2014	**Less than 1 month USD**	**1 - 3 months USD**	**3 months to 1 year USD**	**1 to 5 years USD**	**Total USD**
Investment management fee	242,237	-	-	-	242,237
Administration fee	17,075	-	-	-	17,075
Audit fee	26,619	-	-	-	26,619
Custodian fee	42,192	-	-	-	42,192
Director's remuneration	6,511	-	-	-	6,511
Distributor fee	199,336	-	-	-	199,336
Structural facilitator's fee	49,834	-	-	-	49,834
	583,804	-	-	-	583,804

2013	**Less than 1 month USD**	**1 - 3 months USD**	**3 months to 1 year USD**	**1 to 5 years USD**	**Total USD**
Investment management fee	293,439	-	-	-	293,439
Income distribution payable	4,209	-	-	-	4,209
Audit fee	23,932	-	-	-	23,932
Director's remuneration	6,511	-	-	-	6,511
Distributor fee	228,910	-	-	-	228,910
Custodian fee	51,946	-	-	-	51,946
Structural facilitator's fee	56,704	-	-	-	56,704
	665,651	-	-	-	665,651

(c) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument or cash will fluctuate because of changes in foreign currency exchange rates. Investments may be based in currencies other than United States Dollars and unfavourable exchange rates between those currencies and United States Dollars will affect the fair market value per share of the Company. The Company's portfolio is diversified across global currencies.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

11. Financial Instruments (continued)

(d) Market risk

Market risk arises because the Company's investments are exposed to market price fluctuations and these are monitored by the Company's investment manager. The investment manager has a team dedicated to sourcing and carrying out the diligence necessary to select investments aimed at delivering consistent and outstanding performance.

The Company has adopted the following investment restrictions to manage its risk:

i) No single investment may exceed 20% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the investment portfolio);

ii) No single investment strategy may exceed 50% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the investment portfolio);

iii) Investments within the Specialised Opportunities Portfolio will be implemented or committed to within the Investment Period, as defined in the prospectus, thereafter Specialised Opportunities Investments shall only be made if they do not potentially extend the life of the Company past 27 June 2019; and

iv) The investment portfolio may only invest in investments which can, under normal circumstances, be liquidated within a six month period.

(e) Capital management

The Company may be geared through borrowings of up to 30% of the Company's assets. These borrowings may be secured by the Company's assets. The Company is likely to borrow money through a credit facility to fund investments as well as to bridge drawdowns. The cost of this borrowing is linked to interest rates which may fluctuate, and, as such, impact returns. In the event that the cost of borrowings exceeds the return on investments, the borrowings will have a negative effect on the Company's performance. In the event that the Company enters into a banking facility agreement or funding agreement, such agreement may contain financial covenants. Should any such covenants be breached the Company may be required to repay the borrowings in whole, or in part, together with any attendant costs. At the year end the Company had no borrowings.

In order to manage such risk the investment manager will source investments aimed at delivering consistent and outstanding performance and as such the likelihood of borrowing having a negative effect on the Company will have been reduced.

12. Analysis of Shares

Management shares		**2013 & 2014**
	No. of shares	**USD**
Authorised		
Management shares of USD1 each	10	10

		2013 & 2014
	No. of shares	**USD**
Issued		
Management shares of USD1 each	2	2

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital after return of capital on ordinary shares.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

12. Analysis of Shares (continued)

Ordinary shares as at 31 March 2014

	No. of Shares	USD
Balance brought forward as at 1 April 2012	55,164.907	55,164,907
Redemptions	(3,585.718)	(3,969,569)
Balance at 31 March 2013	51,579.189	51,195,338
Redemptions	(9,701.784)	(9,750,004)
Balance at 31 March 2014	41,877.405	41,445,334

The Ordinary shares have a par value of USD 0.01 each in the share capital of the Company, as well as fractions of such ordinary shares, as the context requires.

Ordinary shares are redeemable on the 11th anniversary of the initial closing date (27 June 2008), unless the board of Directors chooses to extend the duration of the Company for up to two years. The Company is closed-ended and therefore shareholders have no right to redeem the shares or request that the Company repurchase them prior to the redemption date. However, the Directors have discretion to accept redemptions if certain criteria are met:

a) redemptions are effected pro rata to all investors, for part of their shares, at the audited fair market value per share less costs associated with redemption;

b) there is sufficient cash or gearing available to fund such redemptions; and

c) the number of shares to be redeemed shall be proportionate to the value that the realisation proceeds received by the Company (less any disposal costs and performance incentive, if applicable) represents to the NAV of the Company as a whole prior to such redemption.

Dividends may be paid on the shares at a level recommended by the Directors and provided that they are covered by funds that may be lawfully distributed as dividends.

13. Interest in Shares

The Directors have no direct interests in the Ordinary shares of the Company.

The shareholders listed below have interests in the participating redeemable preference shares of the Company greater than 10% as follows:

Sentinel Mining Industry Retirement Fund	45.3187%
Investec Bank (Switzerland) AG	20.4165%
Investec Securities Limited - Asset Swap Account	13.6674%

Due to the number of shareholders and the size of their holdings the directors do not believe that there is a single ultimate controlling party.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

14. Related Party Transactions

During the year under review Brian O'Mahoney received Directors' fees of USD13,000 (2013: USD13,000) of which USD6,511 was outstanding at year end (2013: USD6,511).

Mr O'Mahoney is a related party due to being a Director of Legis Group Limited, the Administrator of the Company.

One of the Directors, Stephen Henry, is employed by Investec Bank (Channel Islands) Limited (IBCI). David Fitch, who was also a Director during the year ended 31March 2014, and an employee of IBCI, resigned on 31 March 2014.

In June 2013 the Company entered into a US$12m facility with IBCI in an arms length transaction. IBCI and The Structural Facilitator (Investec Bank (Switzerland) AG) are under common ownership.

The Investment manager is 100% shareholder of the Company and as such is party to all decisions and information.
The administrator is a related party as Brian O’Mahoney is on the Board, of the Company and is also on the Legis Group Board.
The related party transactions with the Administrator and Investment Manager are detailed in Notes 4, 7 and 9.

15. Commitments

At the year end the Company had committed to invest USD75,147,336 of which USD7,029,560 was outstanding at the year end. The amounts remaining on commitments are broken down as follows:

Apollo European Principal Finance
The Company has made a commitment to invest EUR2,775,000, at the year end EUR461,130 was outstanding.

Apollo European Principal Finance - Project Spring
The Company has made a commitment to invest GBP1,238,400, at the year end this had been fully called.

Apollo Overseas Partners VII
The Company has made a commitment to invest USD3,250,000, at the year end USD734,277 was outstanding.

Ashmore Global Special Situations IV
The Company has made a commitment to invest USD5,850,000, at the year end this had been fully called.

Carlyle Asia Growth Partners IV
The Company has made a commitment to invest USD4,550,000, at the year end USD1,420,320 was outstanding.

Carlyle Asia Partners III
The Company has made a commitment to invest USD4,550,000, at the year end USD631,184 was outstanding.

Carlyle Brazilian Tourism Co-Investment
The Company has made a commitment to invest USD1,950,000, at the year end this has been fully called.

Carlyle RMBS Partners III
The Company has made a commitment to invest USD4,550,000, at the year end this has been fully called.

Lone Star Fund VII
The Company has made a commitment to invest USD4,550,000, at the year end USD280,441 was outstanding.

Lone Star Real Estate II Fund
The Company has made a commitment to invest USD4,550,000, at the year end USD805,799 was outstanding.

Oaktree European Principal Opportunities II
The Company has made a commitment to invest USD4,850,000, at the year end USD121,250 was outstanding.

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

15. Commitments (continued)

Oaktree Opportunities Vll (b)
The Company has made a commitment to invest USD5,850,000, at the year end this has been fully called.

Oaktree PPIP Private
The Company has made a commitment to invest USD2,600,000, at the year end this has been fully called.

Mount Kellet Capital
The Company has made a commitment to invest USD6,750,000 at the year end this has been fully called.

Paulson Recovery Fund Ltd. - Class A
The Company has made a commitment to invest USD3,250,000 at the year end this has been fully called.

Riverstone Global Energy and Power IV
The Company has made a commitment to invest USD3,250,000, at the year end USD379,256 was outstanding.

Riverstone Renewable and Alternative Energy II
The Company has made a commitment to invest USD3,250,000, at the year end USD758,313 was outstanding.

Tishman Speyer Brazil II
The Company has made a commitment to invest USD3,250,000, at the year end USD221,439 was outstanding.

Tishman Speyer China I
The Company has made a commitment to invest USD3,250,000, at the year end USD1,042,620 was outstanding.

16. Restatement of 2013 Comparatives

The comparative figures in the Statement of Total Return and the Statement of Cash Flow had to be restated as the final approved version circulated to shareholders contained a presentational error. This error did not, however, have any effect on the Statement of Assets and Liabilities or the Net Asset Value reported as at 31 March 2013. Nevertheless, this meant that the unrealised gain on investment had been overstated by USD29,862,828 in The Statement of Total Return. This also resulted in the Statement of Cash Flow being overstated by USD29,862,828, being the difference between the overstated value and the correct value as at 31 March 2013.

	Restated 2013 USD	Original 2013 USD
Net gain on investments during the year	975,822	30,838,650
Other income	2,319,596	2,319,596
Expenses	(1,122,922)	(1,122,922)
Net currency loss	(19,460)	(19,460)
Increase in net assets attributable to ordinary shares	2,153,036	32,015,864

17. Post Balance Sheet Events

In May 2014, the board of GSO1 decided on a compulsory redemption of shares totalling USD9,000,000. This was partially funded to the amount of USD4,550,000 by a drawdown on the company's credit facility.

Portfolio Statement as at 31 March 2014

Investments at Market Value	**Nominal**	**31 March 2014 Valuation USD**
Equity		
Apollo European Principal Finance	176,138.91	2,029,805
Apollo Overseas Partners VII	1.00	2,053,350
Ashmore Global Special Situations IV	4,023,260.94	1,875,895
Carlyle Asia Partners III	4,003,825.86	3,681,454
Carlyle Brazilian Tourism Co-Investment	1,482,155.09	3,160,718
Carlyle Asia Growth Partners IV	2,156,273.41	3,394,749
Carlyle RMBS Partners III	448,733.75	-
Lone Star Fund VII	310,369.68	1,756,012
Lone Star Real Estate II Fund LP	2,243,334.20	3,194,205
Mount Kellett Capital	2,849,979.10	4,743,660
Oaktree PPIP Private	1.00	-
Oaktree European Principal Opportunites II	2,075,605.00	3,718,352
Oaktree Opportunities VII (b)	1.00	1,284,454
Paulson Recovery A	3,251,500.00	4,787,142
Riverstone Global Energy and Power IV	1,631,139.29	2,502,377
Riverstone Renewable and Alternative Energy II	1,776,927.04	2,432,929
Tishman Speyer Brazil II	498,333.00	666,218
Tishman Speyer China I	2,027,724.54	2,535,263
		43,816,583
Managed		
Fairfield Sentry Limited	2,060.85	-
	Total Portfolio	43,816,583

This schedule does not form part of the audited financial statements.

Summary of Significant Portfolio Changes for the year ended 31 March 2014

Sales	Nominal	31 March 2014 Proceeds USD
Apollo European Principal Finance	1,606,999.05	2,541,783
Apollo Overseas Partners VII I	1,312,170.66	1,631,408
Ashmore Global Special Situations IV	566,044.38	566,044
Carlyle Asia Partners III	819,256.00	819,256
Carlyle Asia Growth Partners IV	246,384.00	246,384
Carlyle Brazilian Tourism Co-Investment	484,546.88	484,547
Carlyle RMBS Partners III	16,666.13	16,666
Lone Star Fund VII	2,181,190.75	2,181,191
Lone Star Real Estate II Fund	538,225.18	538,225
Mount Kellett Capital	1,465,172.81	1,465,173
Oaktree PPIP Private	475,922.91	475,923
Oaktree European Principal Opportunites II	1,212,676.00	1,212,676
Oaktree Opportunities VII (b)	413.44	413
Riverstone Global Energy and Power IV	126,554.00	126,554
Riverstone Renewable and Alternative Energy II	158,770.00	158,770
		12,465,013
	Cost of Investments sold	13,672,865
	Loss on Sale of Investments	(1,207,852)

Purchases	Nominal	31 March 2014 Cost USD
Apollo European Principal Finance	150,389.37	197,930
Apollo Overseas Partners VII	104,257.33	128,447
Carlyle Asia Growth Partners IV	1,610,857.00	1,610,857
Carlyle Asia Partners III	551,315.00	551,315
Carlyle Brazilian Tourism Co-Investment	16,701.97	16,702
Lone Star Fund VII	663,055.24	663,055
Lone Star Real Estate II Fund	1,241,377.05	1,241,377
Riverstone Global Energy and Power IV	131,951.00	131,951
Riverstone Renewable and Alternative Energy II	146,423.00	146,423
Tishman Speyer Brazil II	151,148.95	151,149
		4,839,206

This schedule does not form part of the audited financial statements.