

# **THE OTTOMAN FUND LIMITED**

**Condensed Unaudited Interim Financial Statements and Half  
Yearly Report**

**For the six months ended 28 February 2015**

**THE OTTOMAN FUND LIMITED**  
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

**Chairman's Statement**

Dear Shareholders,

We have entered into agreements to sell our remaining units in Alanya for EUR 630,000 + VAT. We expect the transactions to close in early June. Once that transaction closes, the Company's only substantial asset will be cash. We will then take the necessary steps to transfer those funds to Jersey for distribution. The timing and amount of any distribution are uncertain because of various legal and tax issues, though I can assure you that the expeditious distribution of the Company's net assets is a high priority for the Company.

As previously announced, our former Chief Financial Officer embezzled Company assets in the net amount of \$1.35 million. We continue our efforts to recover the stolen money. We are preparing a criminal case against the former CFO and will ensure that the case receives wide publicity in Turkey.

I look forward to updating you on our progress when we release our annual report for the year ended 31 August 2015.

Very truly yours,

John D. Chapman  
Chairman  
The Ottoman Fund Limited  
28 May 2015

**THE OTTOMAN FUND LIMITED**  
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

**Consolidated Statement of Comprehensive Income**

		(unaudited) Six months ended 28 February 2015 £	(unaudited) Six months ended 28 February 2014 £	(audited) Year ended 31 August 2014 £
<b>Revenue</b>	note			
Finance income		573,546	160,970	598,820
Profit on sale of inventory		-	2,656,688	6,892,599
(Impairment)/write back of inventory	7	-	(2,685,000)	6,151,756
Foreign exchange loss on sale of inventory	7	-	-	(23,075,220)
<b>Total revenue</b>		<b>573,546</b>	<b>132,658</b>	<b>(9,432,045)</b>
<b>Operating Expenses</b>				
Management/advisory fee	3	(100,000)	(186,401)	(1,105,409)
Other operating expenses		(526,060)	(280,701)	(574,124)
<b>Total operating expenses</b>		<b>(626,060)</b>	<b>(467,102)</b>	<b>(1,679,533)</b>
Foreign exchange gains		1,509,694	1,497,077	192,263
<b>Gain/(loss) before tax</b>		<b>1,457,180</b>	<b>1,162,633</b>	<b>(10,919,315)</b>
Taxation	1(g)	(1,740,399)	(307,832)	(301,276)
<b>(Loss)/gain for the period</b>		<b>(283,219)</b>	<b>854,801</b>	<b>(11,220,591)</b>
<b>Other comprehensive loss</b>				
Foreign exchange on subsidiary translation		(244,681)	(1,140,729)	(1,055,578)
Foreign exchange loss on sale of inventory		-	(11,855,443)	-
<b>Other comprehensive loss for the period</b>		<b>(244,681)</b>	<b>(12,996,172)</b>	<b>(1,055,578)</b>
<b>Total comprehensive loss for the period</b>		<b>(527,900)</b>	<b>(12,141,371)</b>	<b>(12,276,169)</b>
<b>(Loss)/gain attributable to:</b>				
Equity shareholders of the Company		(283,219)	854,801	(11,220,591)
Minority interests		-	-	-
		<b>(283,219)</b>	<b>854,801</b>	<b>(11,220,591)</b>
<b>Total comprehensive loss attributable to:</b>				
Equity shareholders of the Company		(527,900)	(12,141,365)	(12,276,158)
Minority interests		-	(6)	(11)
		<b>(527,900)</b>	<b>(12,141,371)</b>	<b>(12,276,169)</b>
<b>Basic and diluted (loss)/earnings per share (pence)</b>	4	<b>(0.21)</b>	<b>0.63</b>	<b>(8.33)</b>

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

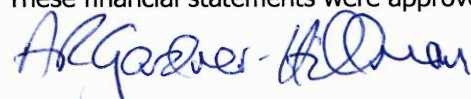
**THE OTTOMAN FUND LIMITED**  
 CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

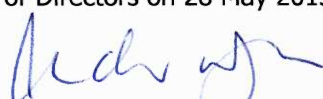
**Consolidated Statement of Financial Position**

		(unaudited) Six months ended 28 February 2015 £	(unaudited) Six months ended 28 February 2014 £	(audited) Year ended 31 August 2014 £
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	5	-	-	-
Plant and equipment	6	-	-	-
Inventories	7	-	33,918,775	-
Loans and receivables	8	967,411	2,014,709	1,933,733
		967,411	35,933,484	1,933,733
<b>Current assets</b>				
Other receivables		588,251	341,003	1,227,634
Cash and cash equivalents		7,742,008	37,536,437	37,902,728
		8,330,259	37,877,440	39,130,362
<b>Total assets</b>		9,297,670	73,810,924	41,064,095
<b>Current liabilities</b>				
Other payables		(606,242)	(5,670,007)	(88,003)
		(606,242)	(5,670,007)	(88,003)
<b>Net assets</b>		<b>8,691,428</b>	<b>68,140,917</b>	<b>40,976,092</b>
<b>Equity</b>				
Share capital	9	52,636,216	111,423,007	84,392,980
Retained earnings		(41,907,944)	(29,549,333)	(41,624,725)
Translation reserve		(2,036,844)	(13,732,762)	(1,792,163)
<b>Equity attributable to owners of the parent</b>		8,691,428	68,140,912	40,976,092
Minority interest equity		-	5	-
<b>Total Equity</b>		<b>8,691,428</b>	<b>68,140,917</b>	<b>40,976,092</b>
<b>Net asset value per Ordinary share (pence)</b>	10	<b>6.4</b>	<b>50.6</b>	<b>30.4</b>

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 28 May 2015.

  
 Antony R. Gardner-Hillman

  
 Andrew I. Wignall

**THE OTTOMAN FUND LIMITED**  
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

**Consolidated Statement of Changes in Equity**

	Share capital £	Retained earnings £	Translation reserve £	Minority interest £	Total £
<b>For the six months ended 28 February 2015 (unaudited)</b>					
As at 1 September 2014	84,392,980	(41,624,725)	(1,792,163)	-	40,976,092
Return of capital	(31,756,764)	-	-	-	(31,756,764)
Loss for the period	-	(283,219)	-	-	(283,219)
Foreign exchange on subsidiary translation	-	-	(244,681)	-	(244,681)
<b>At 28 February 2015</b>	<b>52,636,216</b>	<b>(41,907,944)</b>	<b>(2,036,844)</b>	<b>-</b>	<b>8,691,428</b>
<b>For the six months ended 28 February 2014 (unaudited)</b>					
As at 1 September 2013	120,003,007	(30,404,134)	(736,596)	11	88,862,288
Return of capital	(8,580,000)	-	-	-	(8,580,000)
Gain for the period	-	854,801	-	-	854,801
Foreign exchange on subsidiary translation	-	-	(12,996,166)	(6)	(12,996,172)
<b>At 28 February 2014</b>	<b>111,423,007</b>	<b>(29,549,333)</b>	<b>(13,732,762)</b>	<b>5</b>	<b>68,140,917</b>
<b>For the year ended 31 August 2014 (audited)</b>					
As at 1 September 2013	120,003,007	(30,404,134)	(736,596)	11	88,862,288
Return of capital	(35,610,027)	-	-	-	(35,610,027)
Loss for the year	-	(11,220,591)	-	-	(11,220,591)
Foreign exchange on subsidiary translation	-	-	(1,055,567)	(11)	(1,055,578)
<b>At 31 August 2014</b>	<b>84,392,980</b>	<b>(41,624,725)</b>	<b>(1,792,163)</b>	<b>-</b>	<b>40,976,092</b>

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

**THE OTTOMAN FUND LIMITED**

CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

**Consolidated Statement of Cash Flows**

	(unaudited) Six months ended 28 February 2015	(unaudited) Six months ended 28 February 2014	(audited) Year ended 31 August 2014
	£	£	£
<b>Cash flow from operating activities</b>			
Net gain/(loss) for the period	(283,219)	854,801	(11,220,591)
Adjustments for:			
Interest	(573,546)	(160,970)	(598,820)
Tax	1,740,399	307,832	301,276
Depreciation	-	3,462	3,462
Amortisation	-	774	774
Impairment/(write back) of inventory	-	2,685,000	(6,151,756)
Profit on sale of inventory	-	(2,656,688)	(6,892,599)
	883,634	1,034,211	(24,558,254)
Net foreign exchange losses/(gains)	(163,813)	1,598,768	22,183,405
Decrease/(increase) in other receivables	639,383	335,718	(550,913)
Increase/(decrease) in other payables	518,239	5,571,530	(10,474)
<b>Net cash inflow/(outflow) from operating activities before interest, depreciation, amortisation and tax</b>	<b>1,877,443</b>	<b>8,540,227</b>	<b>(2,936,236)</b>
Interest received	573,546	160,970	598,820
Taxation	(1,740,399)	(307,832)	(301,276)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>710,590</b>	<b>8,393,365</b>	<b>(2,638,692)</b>
<b>Cash flow from investing activities</b>			
Purchase of inventories	-	(39,389)	(39,389)
Proceeds on sale of inventories	-	34,169,267	72,597,621
Repayment of loan	885,414	826,220	826,220
<b>Net cash inflow from investing activities</b>	<b>885,414</b>	<b>34,956,099</b>	<b>73,384,452</b>
<b>Cash flow from financing activities</b>			
Return of Capital	(31,756,764)	(8,580,000)	(35,610,027)
<b>Net cash outflow from financing activities</b>	<b>(31,756,764)</b>	<b>(8,580,000)</b>	<b>(35,610,027)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(30,160,764)</b>	<b>34,769,463</b>	<b>35,135,733</b>
<b>Cash and cash equivalents at start of period</b>	<b>37,902,728</b>	<b>2,766,951</b>	<b>2,766,951</b>
Effect of foreign exchange rates	40	23	44
<b>Cash and cash equivalents at end of period</b>	<b>7,742,008</b>	<b>37,536,437</b>	<b>37,902,728</b>

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.