

**SHERBORNE INVESTORS (GUERNSEY) C LIMITED**

**Annual Report and Audited Consolidated Financial Statements**

**For the year ended 31 December 2023**

## Contents

---

	Pages
THE COMPANY AND ITS ADVISERS	1
COMPANY SUMMARY	2
CHAIRMAN'S STATEMENT	3-4
BOARD OF DIRECTORS	5
DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)	6-12
DIRECTORS' REMUNERATION REPORT	13-14
CORPORATE GOVERNANCE REPORT	15-26
REPORT OF THE AUDIT COMMITTEE	27-30
STATEMENT OF DIRECTORS' RESPONSIBILITIES	31-32
INDEPENDENT AUDITOR'S REPORT	33-43
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	44
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	45
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	46
CONSOLIDATED STATEMENT OF CASH FLOWS	47
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	48-60

# The Company and Its Advisers

---

## **Non-Executive Directors**

Talmay Morgan (*Chairman*)  
Trevor Ash  
Ian Brindle  
Helen Sinclair  
Linda Wilding  
Christopher Legge, resigned 23 May 2023

(all care of the registered office)

## **Investment Manager**

Sherborne Investors Management LP  
135 East 57<sup>th</sup> Street  
New York, NY 10022

## **Legal Advisers (as to English law)**

Herbert Smith Freehills LLP  
Exchange House  
Primrose Street  
London, EC2A 2EG

## **Registrar**

Link Market Services (Guernsey) Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey, GY2 4LH

## **Administrator, Designated Manager and Company Secretary**

Apex Fund and Corporate Services (Guernsey) Limited  
1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

## **General Partner to the Investment Partnership**

*Until 24 May 2023*  
Sherborne Investors (Guernsey) GP, LLC  
135 East 57<sup>th</sup> Street  
New York, NY 10022

## **Company Website:**

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

## **Registered Office**

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

Registered Number 63600

## **Independent Auditor**

Deloitte LLP  
Regency Court  
Glatigny Esplanade  
St Peter Port  
Guernsey, GY1 3HW

## **Legal Advisers (as to Guernsey law)**

Ogier  
Redwood House  
St Julian's Avenue  
St Peter Port  
Guernsey, GY1 1WA

## **Broker**

Deutsche Numis  
The London Stock Exchange Building  
10 Paternoster Square  
London, EC4M 7LT

## **Investment Partnership**

*Until 24 May 2023*  
SIGC, LP (Incorporated)  
1 Royal Plaza, Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

## **Custodian**

The Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

## Company Summary

---

<b>The Company</b>	Sherborne Investors (Guernsey) C Limited (the “Company”) is a Guernsey domiciled limited company and its shares are admitted to trading on the London Stock Exchange Specialist Fund Segment (“SFS”). The Company was incorporated on 25 May 2017. The Company commenced dealings on the SFS on 12 July 2017.
<b>Investment Objective</b>	To realise capital growth from investment in a target company identified by the Investment Manager, with the aim of generating a significant capital return for Shareholders.
<b>Investment Policy</b>	To invest in a company which is publicly quoted which it considers to be undervalued as a result of operational deficiencies and which it believes can be rectified by the Investment Manager’s active involvement, thereby increasing the value of the investment. The Company will only invest in one target company at a time.
<b>Investment Manager</b>	Sherborne Investors Management LP (including affiliates, the “Investment Manager”) provides investment management services to SIGC LLC and other funds in which the Company is indirectly an investor (the “Funds”). See Note 1 and Note 9 for details of changes in the year.

## Chairman's Statement

---

### For the year ended 31 December 2023

Dear Shareholder

I am pleased to present the Annual Report and Audited Consolidated Financial Statements of the Company for the year from 1 January 2023 to 31 December 2023.

At 31 December 2023, the net asset value ("NAV") attributable to shareholders of the Company was £566.3 million (2022: £529.4 million) or 80.9 pence per share (2022: 75.6 pence per share) (see Note 8). As at 31 March 2024 the estimated (unaudited) NAV, as reported, was 77.1 pence per share.

The Company co-invests in Navient Corporation ("Navient") with other investors through Newbury Investors LLC ("Newbury") which is managed by Sherborne Investors Management LP ("Sherborne Investors"). Newbury currently owns 26.1% of Navient's outstanding shares, making it the largest shareholder in Navient. Newbury also currently owns a 24.9% interest in the outstanding shares of the Company. The Company is pursuing its investment strategy through its indirect shareholding in Navient. See Note 5 of the Notes to the Consolidated Financial Statements.

For further information on Navient, including its strategy and performance, please refer to its publicly available financial statements and presentations available at [www.sec.gov](http://www.sec.gov) or Navient's website at [www.navient.com](http://www.navient.com).

In May 2023, the Company announced that it had been advised by the Investment Manager that, following the distribution to the Company of any proceeds from the Company's indirect investment in Navient, the Investment Manager did not intend to seek to recall any funds for further investment. To effectuate this, on 24 May 2023, SIGC, LP (Incorporated) (the "Investment Partnership") assigned to the Company the Investment Partnership's interest in SIGC LLC, as the constitutional documents of SIGC LLC do not permit the recall of distributed capital for reinvestment. As a result of the assignment, the Investment Partnership was dissolved by operation of its limited partnership agreement. For further details see Note 1 and Note 9 of the Consolidated Financial Statements.

Also in May 2023, it was announced that Navient's Chief Executive Officer had been terminated and that a member of the board had been appointed Chief Executive Officer. Sherborne Investors advised the Board that they intended to work with the new Chief Executive Officer to achieve their investment objectives at Navient. Subsequently, on 8 December 2023, Mr Edward Bramson, a partner in Sherborne Investors, was appointed Vice Chairman of the board of directors of Navient. Through this role, Sherborne Investors assisted the Navient board with the formulation of Navient's strategic review update announced on 30 January 2024. In connection with Mr. Bramson's appointment as Vice Chairman, Navient and Sherborne Investors extended their April 2022 nomination and cooperation agreement to a latest date of 30 June 2024.

During 2023 Navient paid dividends to shareholders totalling \$0.64 per share, of which the Company received its proportionate share. The Company paid a dividend with respect to 2022 results of 0.5 pence per share on 26 May 2023 and a further interim dividend of 0.5 pence per share with respect to 2023 on 6 October 2023. I am pleased to announce that the Company is declaring a further 0.5 pence per share dividend to be paid on 31 May 2024 to shareholders of record on 10 May 2024, bringing the total dividends paid in respect of 2023 results to 1.0 pence per share.

# Chairman's Statement (continued)

---

Details of Related Party Transactions are contained in Note 9 of the Consolidated Financial Statements.

We are grateful for your continued support and will keep you informed of the status of our investment as it develops.

Yours sincerely,



**Talmai Morgan**  
Chairman  
30 April 2024

## Board of Directors

---

### ***Talmai Morgan (Chairman)***

#### ***Appointed to the Board 25 May 2017***

Mr Morgan has served as a non-executive director on the board of 14 publicly listed investment companies (including 3 FTSE 250 companies) since 2005. He is currently Chairman of Sherborne Investors (Guernsey) C Limited. From 1999 to 2004, Mr Morgan worked as a financial services regulator (Director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission) and was particularly involved in the activities of the Financial Action Task Force and the Offshore Group of Banking Supervisors. Prior to 1999, Mr Morgan held positions at Barings and the Bank of Bermuda. He qualified as a barrister in 1976 and holds an MA in Economics and Law from the University of Cambridge.

### ***Linda Wilding (Audit Committee Chairman)***

#### ***Appointed to the Board 1 February 2023***

Ms Wilding has previously served as Chair and non-executive director of various public and private equity backed companies for over 20 years. After gaining a PhD in Biochemistry she joined EY and trained as a Chartered Accountant. From the late 1980s she spent over a decade at Mercury Asset Management as a fund manager in their private equity division. She is currently also on the Boards of BCPT plc, a real estate investment trust and Wesleyan Assurance Society, a specialist financial services mutual, and Odyssean Investment Trust plc, investment trust.

### ***Trevor Ash (Director)***

#### ***Appointed to the Board 25 May 2017***

Mr Ash has been a non-executive director of a number of investment entities since 1999, including funds managed by Rothschild, Insight, Cazenove, Merrill Lynch and Thames River Capital. He was formerly Chairman of JPEL Private Equity Limited. Prior to 1999, Mr Ash spent 27 years with the Rothschild Group in various capacities, most recently as Managing Director of Rothschild Asset Management (CI) Limited and as a non-executive director of Rothschild Asset Management Limited in London. Mr Ash is a fellow of the Chartered Institute for Securities & Investment.

### ***Ian Brindle (Director)***

#### ***Appointed to the Board 25 May 2017***

Mr Brindle was the Senior Partner of Price Waterhouse from 1991 to 1998 and Chairman of PricewaterhouseCoopers until 2001. Mr Brindle was a member of the Accounting Standards Board between 1992 and 2001 and Deputy Chairman of the Financial Reporting Review Panel between 2001 and 2008. Mr Brindle has served as a non-executive director on a number of Boards including Electra Private Equity PLC, F&C Asset Management PLC, Spirent Communications PLC, Elementis PLC and 4 Imprint Group PLC.

### ***Helen Sinclair (Director)***

#### ***Appointed to the Board 1 February 2023***

Ms Sinclair has a degree in Economics from Cambridge and an MBA from INSEAD business school. She began her career in investment banking and then moved into private equity investment at 3i. Prior to her focus on non-executive director roles, Helen co-founded and ran Matrix Private Equity (which became Mobeus Equity Partners LLP). Helen has a thirty-year track record as an investor, board member and board observer in a range of sectors. Helen serves on the Boards of Octopus Future Generations VCT plc, BlackRock Smaller Companies Trust plc, Shires Income plc and North East Finance Ltd.

## Directors' Report (Including the Strategic Report)

---

The Directors present their annual report on the affairs of Sherborne Investors (Guernsey) C Limited and its subsidiaries (together, the "Group"), until their dissolution, together with the audited consolidated financial statements, for the year ended 31 December 2023.

### **Principal activities and investing policy**

The Company is a Guernsey domiciled company incorporated on 25 May 2017 with limited liability. The Company's shares were admitted to trading on the SFS on 12 July 2017.

SIGC Midco Limited, a former wholly-owned subsidiary of the Company, was dissolved in early 2023, and therefore the Company became a limited partner in the Investment Partnership, a limited partnership registered in Guernsey on 24 May 2017, until its dissolution in May 2023, following which the Company became an investor in the Funds. For further details see Note 1 and Note 9 of the Consolidated Financial Statements. All references to the Investment Partnership herein shall be only until its date of dissolution.

The Company aims to provide investors with capital growth through its investment in the Investment Partnership, to which it has committed £700,000,000.

The Company's investment policy, which it will affect indirectly through its investment in the Investment Partnership or the Funds, is to invest in a company which is publicly quoted, and which the Investment Manager considers to be undervalued as a result of operational deficiencies and which it believes can be rectified by the Investment Manager's active involvement, thereby increasing the value of the investment (a "Turnaround"). Accordingly, the investment will not be passive. The Company's investment may be made on-market or off-market.

The Company may invest, through the Investment Partnership or the Funds, in a company operating in any economic sector but will only be invested in one company at a time. Thus, it will not seek to reduce risk through diversification. The choice of target company will be subject to a vote in the affirmative of a majority in interest of the limited partners of the Investment Partnership or the Funds, in effect giving the Board a veto on such decision since the Company owns, and is currently expected to continue to own, more than 50% of the interests in the Investment Partnership or the Funds.

The investment in a target company is intended to be in shares, but could also be in warrants, convertibles, derivatives and any other equity, debt or other securities.

Depending on the size of the investment, all or part of the Company's assets will be invested in the Selected Target Company ("STC"), through the Investment Partnership, less the minimum capital requirements. The investment objective and investment policy of the Investment Partnership or the Funds are the same as those of the Company. In selecting the STC, the Investment Manager will consider the relevant Environmental, Social and Governance ("ESG") aspects of the STC and will seek to positively influence the relevant policies and performance of the STC through its active involvement in seeking to effect a turnaround.

The holding period for investments is neither fixed nor predictable, but the Company expects that a typical holding period would be greater than one year. The average holding period of the four completed UK Turnarounds in companies with which the Investment Manager's key personnel have been involved is 28 months; however, this should not be taken as being indicative of the holding period to be adopted in effecting the Company's investment policy.



## Directors' Report (Including the Strategic Report) (continued)

---

The Investment Partnership or the Funds may engage in hedging transactions to protect the market value of its investment in any company in which it is invested and may also engage in stock lending.

The Company, the Investment Partnership, and the Funds do not currently intend to undertake borrowings but are permitted to do so. Any borrowings undertaken by the Company and the Investment Partnership will not, in aggregate, be greater than 30% of the Company's Gross Assets as measured at the time that such borrowings are incurred.

In the event that the Board considers it appropriate to amend materially the investment objective or policy of the Company, Shareholder approval to any such amendment will be sought. For further details on the current investment refer to the Chairman's Statement on page 3.

### Risk Management

The Directors are responsible for supervising the overall management of the Company, whilst the day-to-day management of the Company's assets has been delegated to the Investment Manager. Portfolio exposure has been limited by the guidelines which are detailed within the Principal activities and investment policy section of the annual report above. The Board has undertaken a robust assessment of the principal risks facing the Company and has undertaken a detailed review of the effectiveness of the risk management and internal control systems.

In its role as a third-party fund administration services provider, Apex Fund and Corporate Services (Guernsey) Limited produced an annual SSAE 18 and ISAE 3402 Type 2 Assurance Report on the internal control procedures in place for the year ended 30 September 2023 and this is subject to review by the Audit Committee and the Board.

The principal risks facing the Group and Company relate to the Company's investment activities and these risks include the following:

- performance risk;
- market risk;
- relationship risk;
- operational risk;
- emerging risk;
- cyber security risk; and
- Accounting, legal and regulatory risks

An explanation of these principal risks and how they are managed is set out below.

The Board can confirm that the principal risks of the Company, including those which would threaten its business model, future performance, solvency or liquidity, have been robustly assessed for the year ended 31 December 2023.

- **Performance risk** - The Board is responsible for approving the Investment Manager's recommended investment in a STC and monitoring the performance of the Investment Manager. An inappropriate strategy or poor execution of strategy may lead to underperformance. To manage that risk the Investment Manager will typically have several potential target companies under review at any one time in various stages of analysis. The Investment Manager's recommendation of a STC includes an assessment of the capital appreciation potential of the proposed investment, assuming certain operating improvements and capital realignment are successfully implemented. The Company intends that its holding in the STC will be less than 30%

## Directors' Report (Including the Strategic Report) (continued)

---

of the outstanding shares if the STC is a UK company, so that it is not required to make a bid for the entire company. Accordingly, the Company will not control the STC. The Investment Manager's involvement in the Turnaround of the STC requires the support of other independent shareholders. The Board receives regular updates of the Investment Partnership's and the Funds' ownership interest in the STC and other information that impacts its Turnaround strategy. The Audit Committee is responsible for all matters pertaining to risks and it formally monitors the investment performance of the Company at least three times a year including when the Investment Advisor reports on the performance of the Company's portfolio at board meetings.

- **Market risk** - Market risk arises from uncertainty about the future operating performance and market response to the Company's investment in the STC. The Company's objective of market risk assessment is to manage and control market risk exposures within acceptable parameters while optimising the return on investment. The Company's investment approach is to invest in only one company at a time. Such investment concentration may subject the Company to greater market fluctuation and loss than might not result from a diversified investment portfolio. The market's valuation of the STC is also subject to fluctuations in overall market prices as well as fluctuations in the industry sectors in which the STC operates. The Investment Manager does not typically hedge against overall market or sector fluctuations. The Company also may use a limited amount of short-term leverage to acquire a portion of its ownership interest in the STC which will amplify the results of the STC. In addition to interest and dividend income received from the STC, the source of debt repayment could come from the proceeds realised from the sale of a portion of the STC. The Company's market risk is managed by the Investment Manager in accordance with policies and procedures in place as disclosed in the Company's prospectus. The Company's market risk is monitored closely and managed and mitigated as far as possible by the Investment Advisor through active portfolio management. The Investment Advisor reports to the Board on these matters.
- **Relationship risk** - Neither the Company, the Investment Partnership, nor the Funds has a physical presence (employees and/or premises). The Company and Investment Partnership are heavily dependent on the Investment Manager for the selection of an appropriate STC and for the day-to-day management and operation of the STC's business and the execution of its Turnaround strategy. The Company has no employees and so enters into a series of contracts/legal agreements with a series of service providers to ensure that both operational performance and regulatory obligations are met. The Board performs ongoing internal monitoring of processes and controls and receives regular reports from the administrators of the Company and other service providers, along with a report from the Auditors.
- **Operational risk** – The Board is ultimately responsible for all operational facets of performance including cash management, asset management, regulatory and listing obligations. The risks are reviewed by the Board at each Board meeting. The Board also monitors the Company's investment performance and activities since the last Board meeting to ensure that the Investment Manager adheres to the agreed investment policy and approved investment guidelines. Further, at each Board meeting, the Board receives reports from the Company Secretary and Administrator in respect of compliance matters and duties performed by it on behalf of the Company.
- **Fraud and cybersecurity risk** – fraud or large-scale network disruption such as hacking, malware, phishing, disrupted denial of service attacks could be disruptive to the Company and also pose a reputational risk if they are not dealt with effectively. The Company's Board is provided with regular updates on any cyber security issues from its service providers and how they are managing

## Directors' Report (Including the Strategic Report) (continued)

---

the risk. All access to the offices of service providers is strictly controlled and Data protection policies are in place.

- **Accounting, legal and regulatory risks** – the Company is exposed to the risk of action or sanction by shareholders, counterparties or regulators if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission or if it fails to maintain accurate accounting records. Increased regulation (including climate change and ESG) may increase the Company's compliance burden and require changes to policies, procedures or disclosure requirements. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements, including increased regulation relating to ESG and climate change. These contribute to the Board's ability to maintain its awareness and knowledge of climate/ESG related reporting requirements and its review of best practice for investment companies.
- **Emerging risks** – the Board is constantly alert to the identification of any new or emerging risks through the monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. When an emerging risk is identified, the risk assessment matrix is updated and appropriate mitigating measures are agreed. No emerging risks have been identified during the course of the year.

Other risks faced by the Company are described in detail within the Company's Offering Document and can be obtained at [www.sherborneinvestorsguernsey.com](http://www.sherborneinvestorsguernsey.com).

Other risks faced by the STC are described in detail within the STC's publicly available financial statements and can be obtained at [www.sec.gov](http://www.sec.gov) or the STC's website at [www.navient.com](http://www.navient.com).

The Board describes in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy. Most of the Code requirements will ordinarily be met by the description of a company's business model and strategy required by Section 414C(8) (a) and (b) of the Companies Act 2006.

The Board has considered the Company's solvency and liquidity risk and disclosure of this is made in Note 10 of the Consolidated Financial Statements and in the Viability Statement below.

The Company has no employees, and does not own any physical assets, therefore it is not directly exposed to climate change risk. The Board also made enquiries of key service providers in respect of their assessment of how climate change and ESG risk impacts their own operations and has been assured that this has no impact on their ability to continue to supply their services to the Company. The Board has considered the impact of climate change on the Company and believes that it does not give rise to a material impact on the financial statements of the Company.

The Board remains ultimately responsible for the identification and assessment of risk as well as implementing and monitoring procedures to control such risks where possible. The Board seeks to mitigate and manage these risks through continual review, policy-setting, enforcement of contractual obligations and monitoring of the Company's investment portfolio.

## Directors' Report (Including the Strategic Report) (continued)

---

### Viability Statement

In accordance with provision 31 principle O of the UK Corporate Governance Code 2018, the Directors have assessed the viability of the Group and Company as at 31 December 2023. The Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'going concern' provision. For the purposes of this statement, having regard to the economic planning cycle and the Company's strategy review period, the Board has adopted a three year viability period to 31 December 2026.

In its assessment of the Company's viability, the Board has considered each of the Company's principal risks as detailed above and any emerging risks, and in particular the impact of a significant fall in the value of the Company's investment portfolio. The three year period is the maximum period over which to provide its viability statement in order to keep in line with its investment strategy. The holding period for the investment in the STC is neither fixed nor predictable, but the Company expects that a holding period of 3-4 years would be sufficient to execute the Investment Manager's Turnaround strategy.

The Directors have identified the following factors as potential contributors to ongoing viability:

- The liquidity of the Company's portfolio; and
- The ongoing relevance of the Company's investment objective in the current environment.

At 31 March 2024 the Company had an estimated (unaudited) NAV of £539.9 million. The Company and the Funds have sufficient liquid assets to meet expected costs. Expected costs are primarily based on contractual obligations and are therefore not subject to material fluctuations. The nature and amount of these costs are consistent with the prior year and are expected to be materially similar for the foreseeable future. The primary source of cash inflows are dividends paid by STC to the Funds. The STC has paid a quarterly dividend since 2015. Should the STC cease paying dividends and should additional liquidity be required by the Funds or by the Company, shares of the STC, even if the share value were to decline by 50%, could be sold with sufficient liquidity provided to the Company. The Investment Manager has the full intent and ability to provide the Company with funds as and if required.

Based on the foregoing, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its obligations as and when they fall due over the three year period to 31 December 2026.

### Auditor's Opinion

It may be noted that the Company's financial statements have received a "limitation on scope" qualified opinion from the Auditors for the year ended 31 December 2023. Refer to independent auditor's report on pages 33 to 43. So that this issue does not reoccur in future, the Investment Manager has agreed with the Board to undertake a restructuring of the underlying funds to segregate the Company's assets.

### Subsequent events

Details of events that have occurred after the date of the Consolidated Statement of Financial Position are provided in Note 12 to the Consolidated Financial Statements.

### Dividend policy

The Company's dividend policy, subject to the discretion of the Directors who reserve the right to retain amounts for minimum capital requirements, is to pay dividends to Shareholders following

## Directors' Report (Including the Strategic Report) (continued)

---

receipt of any distributions from the Investment Partnership or the Funds, subject always to compliance with the solvency test prescribed by the Companies (Guernsey) Law, 2008, as amended (the "Companies Law").

This will be dependent on the frequency with which the STC pays dividends to its shareholders as well as the extent to which such dividends are first required to be used to repay outstanding indebtedness and meet the minimum working capital requirements.

### Dividend

During the year the Company declared and paid dividends to Shareholders as follows:

Period end	Dividend per share (p)	Announcement date	Ex div date	Record date	Paid date
Ad hoc	0.5	20.04.2023	04.05.2023	05.05.2023	26.05.2023
Ad hoc	0.5	05.09.2023	14.09.2023	15.09.2023	06.10.2023

The Company has declared a dividend of 0.5 pence per share, payable on 31 May 2024 to shareholders on the register at 10 May 2024.

### Business review

A review of the Company's business during the year and an indication of likely future developments are contained in the Chairman's Statement.

### Capital

Details of the Company's capital are provided in Note 7 to the Consolidated Financial Statements. All shares carry equal voting rights.

### Substantial interests

As at 31 December 2023, the Company is aware of the following material shareholdings:

Shareholder	Number of Ordinary Shares	% of issued share capital
Sherborne Investors Management LP*	174,000,447	24.9
Invesco Limited	139,467,736	19.9
Columbia Threadneedle	129,298,511	18.5
Fidelity International Limited	77,210,833	11.0
Janus Henderson Group plc	73,267,400	10.5
Aviva plc	59,015,109	8.4

\*Shares are owned by Newbury Investors LLC, an indirect investment of SIGC LLC. Refer to Note 5 to the Consolidated Financial Statements for additional detail.

The Directors currently hold no shares in the Company (unchanged from prior year).

## Directors' Report (Including the Strategic Report) (continued)

---

### **Independent Auditor**

A resolution to re-appoint the Auditors to the Company will be proposed at the Annual General Meeting of the Company on 21 May 2024.

By order of the Board of Directors



**Talmai Morgan**

Chairman

30 April 2024

## Directors' Remuneration Report

### Remuneration Policy & Components

The Board endeavours to ensure the Remuneration Policy reflects and supports the Company's strategic aims and objectives throughout the period under review. It has been agreed that, due to the small size and structure of the Company, a separate Remuneration Committee would be inefficient; therefore, the Board is responsible for discussions regarding remuneration. No external remuneration consultants were appointed during the period under review.

The remuneration for the Directors has not changed since incorporation and, as such, there is no annual percentage change.

As per the Company's Articles of Incorporation ("Articles"), all Directors are entitled to such remuneration as is stated in the Company's Prospectus or as the Company may by ordinary resolution determine; the aggregate overall limit is currently set at £250,000. Subject to this limit, it is the Company's policy to determine the level of Directors' fees, having regard for the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of responsibilities related to the Board and Audit Committee and the time dedicated by each Director to the Company's affairs. Base fees are set out below.

<b>Base Fees and Fees Received</b>	<b>2023 Actual £</b>	<b>Annual Base fee £</b>	<b>2022 Actual £</b>	<b>Annual Base fee £</b>
Chairman (Talmi Morgan)	50,000	50,000	50,000	50,000
Audit Committee Chairman (Linda Wilding)	35,008	40,000	-	-
Audit Committee Chairman (Christopher Legge) (until 23 May 2023)	16,060	40,000	40,000	40,000
Non-Executive Director (Trevor Ash)	35,000	35,000	35,000	35,000
Non-Executive Director (Ian Brindle)	35,000	35,000	35,000	35,000
Non-Executive Director (Helen Sinclair)	31,986	35,000	-	-
<b>Total</b>	<b>203,054</b>	<b>235,000</b>	<b>160,000</b>	<b>160,000</b>

As outlined in the Articles, the Directors may also be paid for all reasonable travelling, hotel and other out-of-pocket expenses properly incurred in the attendance of Board or Committee meetings, General meetings, or meetings with shareholders of the Company or otherwise in the discharge of their duties; and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as Directors of the Company, such expenses having been immaterial during 2023.

No Director has any entitlement to pensions, paid bonuses or performance fees, has been granted share options or has been invited to participate in long-term incentive plans. No loans have been extended to a Director by the Company and neither have any loans to a Director been guaranteed by the Company.

None of the Directors have a service contract with the Company. Each of the Directors has entered into a letter of appointment with the Company, were subject to election at the first Annual General Meeting ("AGM"), or as determined in line with the Company's Articles, and re-election at subsequent AGMs in accordance with the Company's Articles and all due regulations and provisions. The Directors do not have any interests in contractual arrangements with the Company or its investment during the year under review, or subsequently. Each appointment can be terminated in accordance with the Company's Articles and without compensation. No notice period is stated in the Articles and is terminable at will of both parties.

## Directors' Remuneration Report (continued)

---

Directors' and Officers' liability insurance cover is maintained by the Company but is not considered a benefit in kind nor does it constitute part of the Directors' Remuneration. The Company's Articles indemnify each Director, Secretary, agent and officer of the Company, former or present, out of assets of the Company in relation to charges, losses, liabilities, damages and expenses incurred during the course of their duties, in so far as the law allows and provided that such indemnity is not available in circumstances of fraud, wilful misconduct or negligence.



**Talmai Morgan**  
Chairman  
30 April 2024



## Corporate Governance Report

---

As an unregulated, Guernsey incorporated company quoted on the SFS, the Company is not required to comply with the UK Corporate Governance Code 2018 or the GFSC Finance Sector Code of Corporate Governance. The Directors, however, place great importance on ensuring that high standards of corporate governance are maintained. Accordingly, the Directors will take appropriate measures to ensure that the Company operates with due consideration to any codes of corporate governance that the Board deems appropriate and may choose to operate in accordance with the UK Corporate Governance Code 2018 and/or the GFSC Finance Sector Code of Corporate Governance, in each case having regard to the Company's size and nature of business. The Board perceives that good corporate governance practice is necessary for delivering sustainable value, enhancing business integrity and maintaining shareholder confidence in the Company. To further these aims, the Board has decided to voluntarily comply with the UK Corporate Governance Code dated July 2018 (the "Code"), which sets out guidance in the form of principles and provisions for companies to follow good corporate governance practice. Further information on the Code can be obtained from [www.frc.org.uk](http://www.frc.org.uk).

Except as disclosed below and within the report, the Board is of the view that the Company has complied with the principles and provisions of the Code throughout the year ended 31 December 2023, with the following exceptions:

- The Company has no Chief Executive, as envisaged by principle G and provision 9 of the Code. See the Division of Responsibilities on page 17 below;
- The Company has no internal audit function, as envisaged by principle M and provision 25 of the UK Code. See the Audit, Risk and Internal control section on pages 21 to 22 below;
- The Company does not have a remuneration committee, as required by principle Q and provision 32 of the UK Code. See the Remuneration section on page 24 to 25 below; and
- The Company does not have a Nomination Committee, as required by principle J and provision 17 of the Code. See Board Appointments Process on pages 19 below.

Key issues affecting the Company's corporate governance responsibilities, how they are addressed by the Board and application of the Code are presented below.

### **Board Leadership and Company Purpose**

The Board is composed entirely of non-executive Directors, who meet as required without the presence of the Investment Manager and service providers to scrutinise the achievement of agreed goals and objectives and monitor performance. Through the Audit Committee, they are able to ascertain the integrity of financial information and confirm that all financial controls and risk management systems are robust. In addition, a non-executive Director may provide a written statement outlining any concerns to the Chairman upon resignation.

#### *Role of the Board*

The Board is the Company's governing body and has overall responsibility for ensuring the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows –

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- capital management, including gearing and dividend policy;
- review of investment performance and associated matters;

## Corporate Governance Report (continued)

---

- risk assessment and management including reporting compliance, governance, monitoring and control; and
- other matters having a material effect on the Company.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on pages 31 to 32.

The Board needs to ensure that the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

In seeking to achieve this, the Directors have set out the Company's investment objective and strategy (see page 2) and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Financial Statements the Board has sought to provide further information to give shareholders a fair, balanced and understandable view.

### **Information and Support**

#### *Information Provided to the Board*

Reports and papers of corporate governance matters, containing relevant, concise and clear information, are provided to the Board and Committees in a timely manner to enable review and consideration prior to both scheduled and ad-hoc specific meetings. Investment updates are provided verbally at scheduled and ad hoc meetings. This ensures that Directors are capable of contributing to, and validating, the development of Company strategy and management. The regular reports also provide information that enables scrutiny of the Company's Investment Manager and other service providers' performance. When required, the Board has sought further clarification of matters with the Investment Manager and other service providers, both in terms of further reports and via in-depth discussions, in order to make a more informed decision for the Company. Should Directors raise concerns in relation to the operation of the Board or the management of the Company, these concerns are recorded in the Board minutes.

#### *Information on Shareholders*

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of its shareholders from the Company's Broker and Investment Manager which are taken into consideration as part of the Board's decision-making process.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company. The Chairman and Directors offer to meet with shareholders at regular investor presentations co-ordinated by the Investment Manager to discuss key strategic matters and any issues raised by shareholders.

## Corporate Governance Report (continued)

---

The Directors place a great deal of importance on communication with shareholders. The Investment Manager and Deutsche Numis Securities Limited (the “Broker”) aim to meet with all shareholders at least annually. The Board also receives reports from the Broker on shareholder issues. The Annual Report and Audited Consolidated Financial Statements are widely distributed to other parties who have an interest in the Company’s performance and are available on the Company’s website. The Chairman also meets with major shareholders independently of the Investment Manager from time to time.

All Directors are available for discussions with the shareholders, in particular the Chairman and the Audit Committee Chairman, at the AGM and as and when required.

### **Division of Responsibilities**

#### *The Chairman*

Appointed to the position of Chairman of the Board on 25 May 2017, Mr Morgan is responsible for leading the Board in all areas, including determination of strategy, organising the Board’s business and ensuring the effectiveness of the Board and individual Directors. He also endeavours to produce an open culture of debate within the Board. Mr Morgan is a non-executive Independent Director.

The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Mr Morgan is considered independent because he:

- has no current or historical employment with the Investment Manager;
- has not provided any professional advisory services to the Investment Manager; and
- has no current directorships in any other investment funds managed by the Investment Manager.

There are no executive Directors appointed to the Board, no employees and therefore there is no requirement for a Chief Executive. The non-executive Directors are all independent and their responsibilities are clearly defined within the Schedule of Matters reserved to the Board. All day to day functions are outsourced to external service providers.

The Board believes that its balance of skills, experience and knowledge, provides for a sound base from which the interest of investors will be served to a high standard. Due to the size and structure of the Company, the appointment of a senior independent director is not deemed appropriate.

## Corporate Governance Report (continued)

---

### *Board and Committee Meeting Attendance*

The Board met five times and the Audit Committee met three times during the year. Individual attendance at Board and Audit Committee meetings is set out below.

	<b>Board</b>	<b>Audit Committee</b>
Talmai Morgan	5	N/A
Trevor Ash	4	2
Ian Brindle	5	3
Linda Wilding	4	3
Helen Sinclair	4	3
Christopher Legge	2	1

Helen Sinclair and Linda Wilding were appointed during the year on 1 February 2023, while Christopher Legge retired during the year on 23 May 2023.

The Board ensures that the Company's contracts of engagement with the Investment Manager, Administrator and other service providers are operating satisfactorily so as to ensure the safe and accurate management and administration of the Company's affairs and business and that they are competitive and reasonable for Shareholders. Terms of Reference that contain a formal schedule of matters reserved for the Board of Directors and its duly authorised Committee for decision has been approved and can be reviewed at the Company's registered office.

Until the dissolution of the Investment Partnership in May 2023, management of the Investment Partnership was the responsibility of the General Partner, which had delegated investment decisions and day-to-day management of the Investment Partnership to the Investment Manager under the terms of an Investment Management Agreement. Through its majority interest in the Investment Partnership, the Company and therefore the Board, had the ability to approve proposed investments and to remove the General Partner. The performance of the Investment Manager is subject to regular review by the Board. Please refer to page 48 in Note 1 for further information.

Other matters for the Board include review of the Company's overall strategy and business plans; approval of the Company's half-yearly and annual financial statements; review and approval of any alteration to the Group's accounting policies or practices and valuation of investments; approval of any alteration to the Company's capital structure; approval of dividend policy; appointments to the Board and constitution of Board Committees; and performance review of key service providers.

### *Directors' Indemnity*

The Company holds appropriate Directors' and Officers' Liability Insurance cover in respect of any legal action taken against the Board.

### *Conflicts of interest*

Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest policy which is reviewed periodically and a Conflicts of Interest Register which is reviewed by the Board at each quarterly Board meeting.

### **Commitment**

#### *Chairman's Commitment*

Prior to the Chairman's appointment, discussions were undertaken to ensure the Chairman was sufficiently aware of the time needed for his role and agreed to upon signature of his appointment letter. Other significant commitments of the Chairman were disclosed prior to appointment to the Board, and any changes declared as and when they arise. These commitments, and their subsequent impact, can be identified in his biography on page 5.

#### *Non-executive Directors' Commitments*

The terms and conditions of appointment for non-executive Directors are outlined in their letters of appointment and are available for inspection by any person at the Company's registered office during normal business hours and at the AGM for fifteen minutes prior to and during the meeting. As with the Chairman, significant appointments are declared prior to appointment, any changes reported as and when appropriate.

#### *Development*

The Board believes that the Company's Directors should develop their skills and knowledge through participation at relevant courses. The Chairman is responsible for reviewing and discussing the training and development of each Director according to identified needs. Upon appointment, all Directors participate in discussions with the Chairman and other Directors to understand the responsibilities of the Directors, in addition to the Company's business and procedures.

The Company also provides regular opportunities for the Directors to obtain a thorough understanding of the Company's business by regularly meeting members of the senior management team from the Investment Manager and other service providers, both in person and by phone.

#### *Company Secretary*

Under the direction of the Chairman, the Company Secretary facilitates the flow of information between the Board, Committees, Investment Manager and other service providers' through the development of comprehensive meeting packs, agendas and other media.

Full access to the advice and services of the Company Secretary is available to the Board; in turn, the Company Secretary is responsible for advising on all governance matters through the Chairman. The Articles and schedule of matters reserved for the Board indicate the appointment and resignation of the Company Secretary is an item reserved for the full Board. A review of the performance of the Company Secretary is undertaken by the Board on a regular basis.

### **Composition, succession and evaluation**

#### **Board Appointments Process**

##### *Appointment Process*

There is currently no Nomination Committee for the Company as it is deemed that the size, composition and structure of the Company would mean the process would be inefficient and counter-productive. When new Directors are appointed to the Company, an in-depth recruitment process takes place. For the appointments of Linda Wilding and Helen Sinclair in February 2023, Cornforth Consulting an independent firm from any of the directors or management were engaged to liaise with the Company in the process of the appointments.

## Corporate Governance Report (continued)

---

### Board Diversity

In compliance with FCA Listing Rule 9.8.6 (LR 9.8.6), the Company has provided information, set out in the tables below, on how it has met the following targets on Board diversity-

- at least 40% of the Board is female
- at least one senior position on the Board is held by a woman

As 31 December 2023, the Company has not met the targets on board diversity set out in LR 9.8.6 (9)(a), contrary to the FCA's target for listed companies. The composition of the Board is monitored annually, and the future appointments will be based on merit with due regard for the benefits of diversity, including both gender and ethnic diversity.

Gender identity	Number of Board members	% of the Board	Number of senior positions on the Board
Men	3	60	1
Women	2	40	1

Ethnic background	Number of Board members	% of the Board	Number of senior positions on the Board
White British or other white (including minority white groups)	5	100	2

The Listing Rules specify the positions of Chief Executive Officer ("CEO"), Chief Finance Officer ("CFO") and Chair as senior positions. The Board notes that as an externally-managed investment company, with a Board comprised entirely of non-executives Directors, it does not have the roles of a CEO or CFO as envisaged in LR 9.8.6, and therefore for the purpose of the above targets, it considers the senior positions on the Board to include the roles of Chair and Chair of any permanent committee of the Board.

Each Director is required to be elected by shareholders at the first AGM following their initial appointment to the Board. The Board recommends the on-going annual re-election of each Director and supporting biographies, including length of service, are disclosed on pages 5 and 6.

The Board currently consists of five non-executive members.

For the purposes of assessing compliance with the Code, the Board considers the Directors are independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

### Evaluation

#### *Board and Director Evaluation*

Using a pre-determined template based on the Code's provisions as a basis for review, the Board undertakes an internal evaluation of its performance and that of the Audit Committee. The Chairman led the process using a pre-determined template and met with each of the Directors to ascertain their views on the functioning of the Board and the Audit Committees. In addition, the Chairman reviewed the performance commitment and contribution of each Director. Following discussions with the other

## Corporate Governance Report (continued)

---

Directors, the Audit Committee Chairman reviewed the performance of the Chairman. This was last completed in April 2023. The Board evaluated the investment matters, internal controls and corporate governance, administration and support services, and the committees with a positive outcome where all the Directors were in agreement. Additionally, an evaluation focusing on individual commitment, performance and contribution of each Director is conducted. If appropriate, new members would be proposed to resolve the perceived issues, or a resignation sought. Due to the size and structure of the Board the evaluation of the Chairman of the Board and Audit Committee is dealt with within the Board and Audit evaluations.

Given the Company's size and the structure of the Board, no external facilitator or independent third party is used in the performance evaluation.

### *Re-election and Board Tenure*

The Board has considered the need for a policy regarding tenure of office; however, the Board believes that any decisions regarding tenure should consider the Company's investment objective and the average length of seeking to achieve that, the need for continuity and maintenance of knowledge and experience and to balance this against the need to periodically refresh Board composition and have a balance of skills, experience, age and length of service.

The Board remains satisfied that the individual contributions of each Director are, and will continue to be, important to the Company's long term sustainable success. Accordingly, at the AGM of the Company to be held on 21 May 2024, Talmi Morgan, Ian Brindle, Trevor Ash, Helen Sinclair and Linda Wilding will be proposed for re-election. Chris Legge has retired from the Board during the year on 23 May 2023.

### *Board succession planning*

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme is in place for all Director appointees. Any proposals for a new Director are discussed and approved by the Board.

The Board's succession planning policy seeks to ensure that the Board remains well balanced and that the Directors have a sufficient level of skills, knowledge and experience to meet the needs of the Company. The Directors are ever-cognisant of the need for the Board to have a balance of gender and other attributes.

### **Audit, Risk and Internal Control**

The Board has established an Audit Committee composed of Trevor Ash, Ian Brindle, Helen Sinclair and Linda Wilding, each of whom are independent. Chris Legge stood down as Audit Committee Chairman and from the Audit Committee following the Company's AGM on 23 May 2023, upon which Mrs Wilding took over as Chairman of the Audit Committee. The Chairman of the Board, is not a member of the Audit Committee, in accordance with Provision 24 of the Code which states that the Chair of the Board shall not be a member of the Audit Committee. The Committee, its membership and its terms of reference, which can be found on the Company's website, are kept under regular review by the Board.

## Corporate Governance Report (continued)

---

The Audit Committee meets at least twice a year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored, including reviews of the half-yearly and annual financial statements, results announcements, internal control systems and procedures and accounting policies.

The Audit Committee is intended to assist the Board in discharging its responsibilities for the integrity of the Company's financial statements, as well as aid the assessment of the Company's internal control effectiveness and objectivity of external auditors. Further information on the Committee's responsibilities and the work of the Committee is given in the Report of the Audit Committee on pages 27 to 30.

The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that a sound system of risk management and internal control, which safeguards shareholders' investment and the Group and Company's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary, as explained on page 25.

The Audit Committee considers the scope and effectiveness of the Company's external audit. The Company's Auditor, Deloitte LLP, may also provide additional non-audit services to the Company, which in the Audit Committee's opinion, will not compromise the independence of Deloitte LLP's audit team. Further information is provided in the Report of the Audit Committee on pages 27 to 30.

The Directors' Responsibility Statement confirms that the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as a whole, whilst the Chairman's Statement includes a fair view of the development and performance of the business and the position of the Group.

### *Financial and Business Reporting*

An explanation of the Directors' roles and responsibilities in preparing the Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2023 is provided in the Directors' Report, pages 6 to 12, and Statement of Directors' Responsibilities, pages 31 and 32.

Further information enabling shareholders to assess the Company's performance, business model and strategy can be sourced in the Chairman's Statement, pages 3 and 4, and the Directors' Report on pages 6 to 12.

### *Going concern*

The Consolidated Financial Statements have been prepared on the going concern basis. The net current asset position at year end is approximately £0.8 million. The estimated (unaudited) net current asset position as at 31 March 2024 is £0.6m. At 31 March 2024 the Company had an estimated (unaudited) NAV of £539.9 million. The Company, via the Funds, has sufficient liquid assets to meet expected costs. The Investment Manager has the full intent and ability to provide the Company with funds as and if required. Therefore, after making enquiries and based on the sufficient cash reserves as at 31 December 2023, the Directors are of the opinion that the Company has adequate resources to continue its operational activities for the foreseeable future. The Board is therefore of the opinion that the going



## Corporate Governance Report (continued)

---

concern basis should be adopted in the preparation of the Consolidated Financial Statements. Further detail can be found in the Viability Statement on page 10.

### *Investment Manager*

After careful consideration of the Investment Manager's performance, primarily in terms of advice, managing the portfolio and communicating effectively with shareholders, the Board agreed that it would be in the best interests of the Company and its shareholders that the Investment Manager continues on the current agreed contractual terms.

The Investment Management Agreement will continue in force until terminated: (i) upon the dissolution of the Funds; (ii) by the Investment Manager, voluntarily, upon 180 days' prior written notice to the Managing Member; -(iii) resignation of the Managing Member; or (iv) upon the date of the Managing Member's delivery to the Investment Manager of a written notice terminating the agreement.

There are no arrangements relating to the termination of their appointment, including compensation payable in the event of termination. See the related parties transactions note 9 on pages 56 and 57.

### *Risk Management and Risk Control*

The Board is required to annually review the effectiveness of the Company's key internal controls such as financial, operational and compliance controls and risk management. The Board has documented the controls to be reviewed and will review their effectiveness on an ongoing basis. The controls are designed to ensure that the risk of failure to achieve business objectives is managed rather than eliminated, and are intended to provide reasonable, rather than absolute, assurance against material misstatement or loss. Through regular meetings and meetings of the Audit Committee, the Board seeks to maintain full and effective control over all strategic, financial, regulatory and operational issues.

The Board maintains an organisational and committee structure with clearly defined lines of responsibility and delegation of authorities. The Company's system of internal control includes *inter alia* the overall control exercise, procedures for the identification and evaluation of business risk, the control procedures themselves and the review of these internal controls by the Audit Committee on behalf of the Board. Each of these elements that make up the Company's system of internal control is explained in further detail as follows:

#### (i) Control environment

The Company is ultimately dependent upon the quality and integrity of the staff and management of both its Investment Manager and Administration and Company Secretarial service provider. In each case, qualified and able individuals have been selected at all levels. The staff of both the Investment Manager and Administrator are aware of the internal controls relevant to their activities and are also collectively accountable for the operation of those controls. Appropriate segregation and delegation of duties is in place. The Audit Committee undertakes a review of the Company's financial controls on a regular basis.

In its role as a third-party fund administration services provider, Apex Fund and Corporate Services (Guernsey) Limited produced an annual SSAE 18 and ISAE 3402 Type 2 Assurance Report on the internal control procedures in place for the year ended 30 September 2023 and this is subject to review by the Audit Committee and the Board.

## Corporate Governance Report (continued)

---

During April 2023 the board performed a thorough evaluation of the controls of the Investment Manager Administration and the Company Secretarial service provider. No exceptions were noted during the review.

### (ii) Identification and evaluation of business risks

Another key business risk is the performance of the Company's investment. This is managed by the Investment Manager, who undertakes regular analysis and reporting of business risks in relation to the STC, who then proposes appropriate courses of action to the Board for their review.

### (iii) Key procedures

In addition to the above, the Board's key procedures involve a comprehensive system for reporting financial results to the Board regularly. A review of controls is conducted by the Audit Committee annually, and a twice-yearly review of investment valuations by the Board, including reports on the underlying investment performance.

Due to the size and nature of the Company and the outsourcing of key services to the Administrator and Investment Manager, the Company does not have an internal audit function. It is the view of the Board that the controls in relation to the operating, accounting, compliance and IT risks performed robustly throughout the year. In addition, all key procedures have been in full compliance with the various policies and external regulations, including:

- Investment policy, as outlined in the IPO documentation
- Personal Account Dealing
- Whistleblowing Policy
- Anti-Bribery Policy
- Applicable Financial Conduct Authority Regulations
- Treatment and handling of confidential information
- Conflicts of interest
- Compliance policies
- Market Abuse Regulation

The Company has delegated the provision of all services to external service providers whose work is overseen by the Board. Each year a short questionnaire is circulated to all external service providers requesting thorough details in regard to controls, personnel and information technology, amongst others. This is in order to provide additional detail when reviewing the performance pursuant to their terms of engagement.

There were no protected disclosures made pursuant to the whistleblowing policy of service providers in relation to the Company, during the year ended 31 December 2023 (unchanged from prior year). In summary, the Board considers that the Company's existing internal controls, coupled with the analysis of risks inherent in the business models of the Company and its subsidiaries, continues to provide appropriate tools for the Company to monitor, evaluate and mitigate its risks.

### **Remuneration**

There is currently no Remuneration Committee for the Company as it is deemed that the size, composition and structure of the Company would mean the process would be inefficient and counter-productive.

## Corporate Governance Report (continued)

---

### *Level and Components of Remuneration*

Directors are paid in accordance with agreed principles covering various functions. Further information can be sourced in the Directors' Remuneration Report, pages 13 and 14.

### *Procedures*

The Company has a formal remuneration policy, outlined in the Directors' Remuneration Report, on pages 13 and 14.

### **UK Companies Act, Section 172 Statement**

Whilst directly applicable to UK domiciled companies, the intention of the AIC Code is that matters set out in section 172 of the UK Companies Act, 2006 ("s172 of the Companies Act") are reported. The Board considers the view of the Company's other key stakeholders as part of its discussions and decision-making process. As an investment company, the Company does not have any employees and conducts its core activities through third-party service providers. Each provider has an established track record and, through regulatory oversight and control, are required to have in place suitable policies to ensure they maintain high standards of business conduct, treat customers fairly, and employ corporate governance best practice.

The Board's commitment to maintaining the high-standards of corporate governance recommended in the AIC Code, combined with the directors' duties incorporated into the Companies (Guernsey) Law, 2008, the constitutive documents, the Disclosure Guidance and Transparency Rules, and Market Abuse Regulation, ensures that shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Consistent with the above, the Board is satisfied that its policies, practices and behaviour throughout the business are aligned with the Company's purpose, values and strategy.

Whilst the primary duty of the Directors is owed to the Company as a whole, the Board considers as part of its decision making process the interests of all stakeholders. Particular consideration being given to the continued alignment between the activities of the Company and those that contribute to delivering the Board's strategy, which include the Investment Manager and Administrator.

The Board, in conjunction with the Investment Manager and Broker, engages actively with Shareholders to understand their views and to ensure their interests are taken into consideration when determining the Company's strategic direction. Refer also to the Information and Support Section on pages 17 and 17 above.

### *Risk Management*

In order to minimise the risk of failure to achieve business objectives and promote the success of the Company, the Company and the Board actively identifies, evaluates, manages and mitigates risk as well as continually evolving the approach to risk management. Further details in connection with Risk Management can be found on pages 7 and 9 of the Directors' Report and pages 23 and 24 of the Corporate Governance Report.

## Corporate Governance Report (continued)

---

### *People, Community and Environment*

As an externally managed investment company, the Company has no direct employees and minimal direct impact on the environment, nor is it responsible for the emission of greenhouse gases. The principal responsibility to shareholders is ensuring that the portfolio is properly managed. The Investment Manager is responsible for the management of the portfolio and engages with the STC in relation to their corporate governance practices and wider community responsibilities. For further details on their corporate governance and social practices, refer to the Social Responsibility page of the STC's website.

### *Anti-Bribery and Corruption*

The Board acknowledges that the Company's international operations may give rise to possible claims of bribery and corruption. In consideration of The Bribery Act 2010, enacted in the UK, at the date of this report the Board had conducted a review of the perceived risks to the Company arising from bribery and corruption to identify aspects of business which may be improved to mitigate such risks. The Board has adopted a zero tolerance policy towards bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

### *Criminal Finances Act*

The Board has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion and will not work with any service provider who does not demonstrate the same commitment. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own staff or any associated persons.

### *UK Modern Slavery Act*

The Board acknowledges the requirement to provide information about human rights in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity, and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

### *Business Relationships*

In order for the Company to succeed, it requires to develop and maintain long term relationships with service providers for services such as custodian, investment management, administration, company secretarial, external audit, among others. The Company values all of its service providers and engages with them on a regular basis.

### *Business Conduct*

The Company is committed to act responsibly and ensure that the business operates in a responsible and effective manner and with high standards in order to meet its objectives.

### *Shareholders*

The Board place a great deal of importance on communication with all shareholders and envisages to continue effective dialogue with all shareholders. Further information in connection with shareholder engagement can be found on pages 16 and 17 of the Corporate Governance Report. Throughout 2023, the Board, both individually and collectively, will continue to review and challenge how the Company can continue to act in good faith to promote the success of the Company for the benefit of its members in the decisions taken.

## Report of the Audit Committee

---

The Board is supported by the Audit Committee, which was comprised of five of the directors, not including the Chairman of the Board. The Committee dropped to four members when Chris Legge retired on 23 May 2023. His successor, Linda Wilding, took over as Chairman of the Audit Committee on 23 May 2023, who also has a background as a Chartered Accountant. The Board has considered the composition of the Committee and is satisfied that there are sufficient recent relevant skills and experience, in particular with the Chairman of the Audit Committee, Linda Wilding. The Board is also satisfied that the Committee as a whole has competence relevant to the sector in which the Company operates.

### **Role and Responsibilities**

The primary role and responsibilities of the Audit Committee are outlined in the Committee's Terms of Reference, available at the registered office, including:

- Monitoring the integrity of the financial statements of the Company and any formal announcement relating to the Company's financial performance, consideration of the viability statement and reviewing significant financial reporting judgements contained within said statements and announcements;
- Reviewing the Company's internal financial controls, and the Company's internal control and risk management systems;
- Monitoring the need for an internal audit function annually;
- Monitoring and reviewing the scope, independence, objectivity and effectiveness of the external auditors, taking into consideration relevant regulatory and professional requirements;
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors and approving their remuneration and terms of engagement, which in turn can be placed to the shareholders for their approval at the AGM;
- Developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external auditors, and reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- Reviewing the arrangements in place to enable Directors and staff of service providers to, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company;
- Providing advice to the Board on whether the annual financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- Reporting to the Board on how the Committee discharged all relevant responsibilities, undertaken by the Chairman at each Board meeting.

### **Financial Reporting**

The primary role of the Audit Committee in relation to the financial reporting is to review with the Administrator, Investment Manager and the Auditor the appropriateness of the Annual Report and Audited Consolidated Financial Statements and Interim Condensed Consolidated Financial Statements, concentrating on, amongst other matters:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- Material areas in which significant judgements have been applied or there has been discussion with the Auditor;

## Report of the Audit Committee (continued)

---

- Whether the Annual Report and Audited Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Company's performance, business model and strategy; and
- Any correspondence from regulators in relation to the Company's financial reporting.

To aid its review, the Audit Committee considers reports from the Administrator and Investment Manager and also reports from the Auditor on the outcomes of their half-year review and annual audit. The Audit Committee supports the Auditor in displaying the necessary professional scepticism their role requires.

The Audit Committee met three times during the year under review; individual attendance of Directors is outlined on page 18. The main matters discussed at those meetings were:

- Review of auditor independence;
- Review and approval of the annual audit plan of the external auditors;
- Discussion and approval of the fee for the external audit;
- Detailed review of the Half Year Report and Accounts and Annual Report and Consolidated Financial Statements and recommendation for approval by the Board;
- Discussion of reports from the external auditors following their interim review and annual audit;
- Assessment of the effectiveness of the external audit process as described below;
- Review of the Company's key risks and internal controls, including valuation uncertainty as described below; and
- Consideration of the UK Corporate Governance Code 2018, Guidance on Audit Committees and other regulatory guidelines, and the subsequent impact upon the Company.

The Committee has also reviewed and considered the whistleblowing policies in place for the Investment Manager and Administrator and is satisfied the relevant staff can raise concerns in confidence about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company.

### **Annual General Meeting**

The Audit Committee Chairman, or other members of the Audit Committee appointed for the purpose, shall attend each AGM of the Company, prepared to respond to any shareholder questions on the Audit Committee's activities.

### **Internal Audit**

The Audit Committee considers at least once a year whether or not there is a need for an internal audit function. Currently, the Audit committee does not consider there to be a need for an internal audit function, given that there are no employees in the Group and all outsourced functions are with parties / administrators who have their own internal controls and procedures. This is evidenced by the internal control reports provided by the providers, which give sufficient assurance that a sound system of internal control is maintained.

### **Significant Risks in Relation to the Financial Statements**

Throughout the year, the Audit Committee identified a number of significant issues and areas of key audit risks in respect of the Annual Report and Audited Consolidated Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The below table sets out the key areas of risk identified and how the Committee addressed the issues.

## Report of the Audit Committee (continued)

---

### Significant Risks in Relation to the Financial Statements (continued)

Significant Issue	Actions to Address Issue
Valuation of investment – focus upon one target company means that any errors in valuation, depending on their size, can be highly material. A key risk is incorrect pricing used based on requirement of IFRS taking into account the market for those shares.	<p>The Audit Committee and Board review detailed portfolio valuations on a regular basis throughout the year under review, and receive confirmation from the Investment Manager that the pricing basis is appropriate and in line with relevant accounting standards.</p> <p>At 31 December 2023, the Group's investment consists solely of a non-controlling interest in SIGC LLC, which has received unqualified audit opinions since inception and measures its balance sheet at fair value. The net asset value of SIGC LLC, obtained from the audited SIGC LLC financial statements at year end, is used as a proxy for fair value to measure the fair value of the investment in SIGC LLC.</p>

### Auditor Tenure and Objectivity

The Company's Auditor, Deloitte LLP, has been appointed to act pursuant to an Engagement Letter signed in 30 April 2024 and has been the Company's Auditor since inception in 2017. The Committee reviews the Auditor's performance on a regular basis with a detailed formal review conducted on an annual basis to ensure the Company receives an optimal service. The re-appointment of the Company's Auditor will be subject to annual shareholder approval at the AGM. The Auditor is required to rotate the audit partner regularly every five years. A new audit partner, Marc Cleeve, was appointed to the Company during 2023. There are no contractual obligations restricting the choice of external auditor and the Company will consider putting the audit services contract out to tender at least every ten years. In line with the Audit Committee's review of auditor independence and audit partner rotation the tender of the audit was considered during 2019, however it was the collective view of the Audit Committee that they were satisfied with Deloitte LLP's performance and therefore would recommend them for re-appointment at the Company's Annual General Meeting. The re-appointment of Deloitte was approved by the shareholders at the AGM held on 23 May 2023.

Deloitte LLP regularly updates the Committee on the rotation of audit partners, staff, level of fees in proportion to overall fee income of the Company, details of any relationships between the Auditor, the Company and any target company, and also provides overall confirmation from the Auditor of their independence and objectivity.

Prior to the implementation of the new Crown Dependency Audit Rules 2020 for the period commencing 1 January 2021, Deloitte ceased providing tax compliance services to the Company. No non-audit services are provided by Deloitte LLP other than the interim review which is a permissible non-audit service. See Note 2 of the consolidated financial statements which summarises fees payable to Deloitte LLP.

## Report of the Audit Committee (continued)

---

The audit Committee undertook a formal review of the external auditor for the year ended 31 December 2023, with no issues arising. As a result of their review, the Committee is satisfied that Deloitte LLP is independent of the Company, the Investment Manager and other service providers and recommends the continuing appointment of the Auditor to the Board.

### **Conclusions in Respect of the Financial Statements**

The production and the audit of the Company's Annual Report and Audited Consolidated Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion on whether the Company's financial statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether it considers that the Annual Report and Financial Statements fulfils these requirements. In outlining their advice, the Committee has considered the following:

- The comprehensive documentation that is in place outlining the controls in place for the production of the Annual Report, including the verification processes in place to confirm the factual content;
- The detailed reviews undertaken at various stages of the production process by the Investment Manager, Administrator and the Committee that are intended to ensure consistency and overall balance; and
- The controls enforced by the Investment Manager, Administrator and other third party service providers to ensure complete and accurate financial records and security of the Company's assets.

As a result of the work performed during the year, the Audit Committee has concluded it has acted in accordance with its Terms of Reference and ensured the independence and objectivity of the external Auditor. The Annual Report for the year ended 31 December 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on pages 31 and 32.



**Linda Wilding**  
Audit Committee Chairman  
30 April 2024



## Statement of Directors' Responsibilities

---

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements for each financial year which give a true and fair view, in accordance with applicable laws and regulations, of the state of affairs of the Company and of the profit and loss of the Company for that year.

The Companies (Guernsey) Law, 2008 requires the directors to prepare financial statements for each financial year. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. In preparing these financial statements, International Accounting Standard 1 ("IAS1") requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Directors confirm that they have complied with the above requirements in preparing the Consolidated Financial Statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group'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. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Responsibility statement**

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS as adopted in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.1.12;
- the annual report and consolidated financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- The Annual Financial Report including information detailed in the Chairman's review, the Report of the Directors and the notes to the Financial Statements, includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces, as required by

## Statement of Directors' Responsibilities (continued)

---

- a) DTR 4.1.8 and DTR 4.1.9 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company and
- b) DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

In accordance with section 249 of the Companies (Guernsey) Law, 2008, each of the Directors confirms that, to the best of their knowledge:

- There is no relevant audit information of which the Company's Auditors are unaware; and
- All Directors have taken the necessary steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of said information.

**For Sherborne Investors (Guernsey) C Limited**



**Talmai Morgan**  
Chairman  
30 April 2024

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERBORNE INVESTORS (GUERNSEY) C LIMITED

### Report on the audit of the financial statements

#### 1. Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements of Sherborne Investors (Guernsey) C Limited (the 'Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB);
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and IFRSs as issued by IASB.

#### 2. Basis for qualified opinion

Of the Group's financial asset at fair value through profit or loss represented by its investment in SIGC LLC of £565.5m on the statement of financial position as at 31 December 2023, £32.4m is represented by other net assets of intermediary holding entities under SIGC LLC which excludes the investment in the Selected Target Company ('Other net assets').

We have been unable to obtain sufficient appropriate evidence to support the fair value of these Other net assets in the underlying intermediary holding entities held by SIGC LLC and the related unrealised gain for the year because the investment managers of SIGC LLC did not grant us access to the pertinent financial information. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

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.

# Independent Auditor’s Report to the Members of Sherborne Investors (Guernsey) C Limited

---





We are independent of the Group 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’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the Group or the Company.

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

### 3. Summary of our audit approach

---

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"><li>• Valuation of the Other net assets of the underlying intermediary holding entities held by SIGC LLC (see basis for qualified opinion section above); and</li><li>• Valuation of listed investments at fair value through profit or loss held through SIGC LLC.</li></ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"><li> Newly identified</li><li> Increased level of risk</li><li> Similar level of risk</li><li> Decreased level of risk</li></ul>
--------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

<b>Materiality</b>	<p>The materiality that we used for the Group financial statements in the current year was £5.7m which was determined on the basis of 1% of net asset value (“NAV”).</p>
--------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

<b>Scoping</b>	<p>Balances were scoped in for testing based on our assessment of risk of material misstatement. As part of our risk assessment process, we have engaged auditors of SIGC LLC to perform specific procedures under our direction and supervision on the incentive allocation, market price risk disclosure and any reportable matters that would have an impact to the fair value of the investment in SIGC LLC.</p>
----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

<b>Significant changes in our approach</b>	<p>We have considered the key audit matter related to valuation of listed investments at fair value through profit or loss separately from the valuation of the Other net assets of the underlying intermediary holding entities held by SIGC LLC which is related to the basis for qualified opinion.</p>
--------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

# Independent Auditor’s Report to the Members of Sherborne Investors (Guernsey) C Limited

---

Our evaluation of the directors’ assessment of the Group’s and Company’s ability to continue to adopt the going concern basis of accounting included:

- Evaluated management’s going concern assessment and the appropriateness of the relevant disclosures in the financial statements including assessing the current economic environment and the Group’s investment performance;
- Evaluated the cash flow forecasts for reasonableness; and
- Assessed the key assumption that the Company used, via the underlying funds and whether there are sufficient liquid assets to meet costs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section we have determined the matter described below to be the key audit matter to be communicated in our report.

### 5.1. Valuation of listed investments at fair value through profit or loss

---

<b>Key audit matter description</b>	<p>The Company has a single Level 3 investment in SIGC LLC (formerly Whistle Investors III LLC) as at 31 December 2023 of £565.5m (2022: £524.7m). Of that amount, £533.1m (2022: £524.7m) is represented by the fair value of the underlying listed investments in the Selected Target Company (“STC”) and Company itself. The remaining balance relates to the value of the Other net assets of the underlying intermediary holding entities held by SIGC LLC which is related to the basis for qualified opinion.</p> <p>Management have designated the total investment in SIGC LLC as Level 3 in the fair value hierarchy due to the attributed fair value being measured at the NAV of the</p>
-------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

# Independent Auditor’s Report to the Members of Sherborne Investors (Guernsey) C Limited

---

---

entity as not all inputs into the valuation of SIGC LLC are observable and there may be judgement or estimation uncertainty within this balance.

Investments are the most quantitatively significant balance on the consolidated statement of financial position and is an area of focus as they drive the performance and net asset value of the Group. Owing to the fact that key performance indicators and performance-based remuneration are based on the net asset value of the Group we have determined there to be the potential for fraud through possible manipulation of the balance through the value attributed to the investment.

Further details are included within Report of the Audit Committee on page 27, critical accounting judgements and key sources of estimation uncertainty note in note 1 to the financial statements.

---

### How the scope of our audit responded to the key audit matter

In order to test the valuation of the investment balance as at 31 December 2023, we performed the following procedures:

- We obtained an understanding of relevant controls around the reconciliation of investments held and the year-end valuation of investments. This included obtaining an understanding and testing relevant controls at the administrator.
- We evaluated the recognition of SIGC LLC as an investment that is held at fair value through profit or loss despite the Company having a major shareholding;
- We obtained the audited financial statements of SIGC LLC from the investment manager and assessed whether the NAV materially reflected that entity’s fair value by recalculating the fair value of the listed investments using independent pricing sources and number of units held as at year end;
- We engaged the auditors of SIGC LLC to perform specific procedures on the incentive allocation, market price risk disclosure and any reportable matters and accordingly, reviewed their work. Further, we held discussions with the auditors of SIGC LLC to ensure the valuation policy and methodology are compliant with IFRS 13 – Fair Value Measurement and that this estimate of fair value remains appropriate. We also enquired with the auditors of SIGC LLC to consider the liquidity of SIGC LLC to ensure it is considered a going concern; and
- We agreed the capital contributions and distributions during the year into SIGC LLC comprising the year-end value to operating agreements and to bank statements.

---

### Key observations

Based on the work performed we conclude that the valuation of the listed investment held at fair value through profit or loss held through SIGC LLC is appropriate.

---

# Independent Auditor’s Report to the Members of Sherborne Investors (Guernsey) C Limited

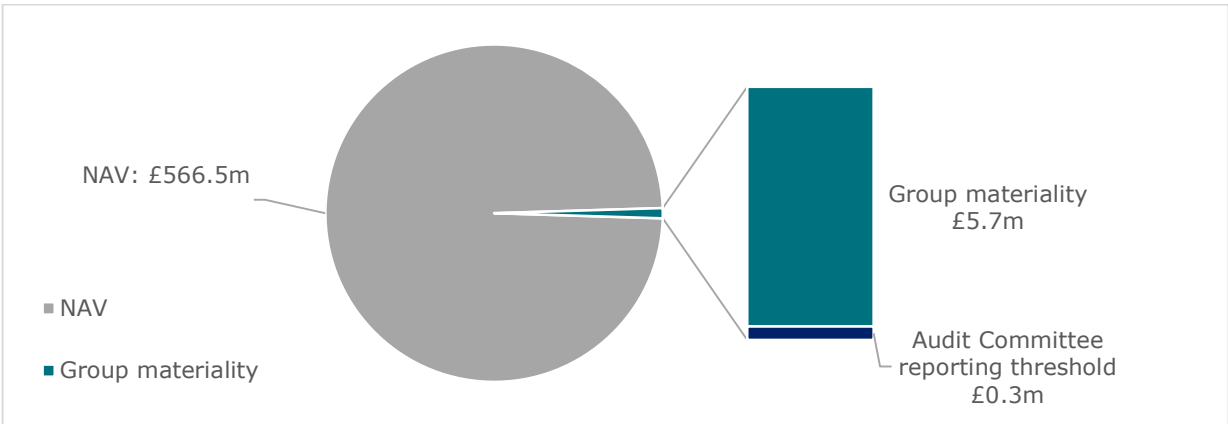
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Group Materiality</b>	£5.7M (2022: £5.3M)
<b>Basis for determining materiality</b>	1% of the Group NAV (2022: 1% of the Group NAV)
<b>Rationale for the benchmark applied</b>	In determining the materiality, we considered what the key balances on which the users of the financial statements would judge the performance of the Group. As the investment objective of the Group is to invest in a STC by the investment manager and realise a return on the growth in fair value of the investment, we consider the NAV of the Group to be a key performance indicator for shareholders. We have considered industry benchmarking and applied the same benchmark of 1% as in prior year.



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 70% of Group materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the following factors:

- the quality of the control environment and whether we were able to rely on controls, and

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

- our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

### **6.3. Error reporting threshold**

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £283,000 (2022: £264,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## **7. An overview of the scope of our audit**

### **7.1. Identification and scoping of components**

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Balances were scoped in for testing based on our assessment of risk of material misstatement.

The Company was a limited partner in SIGC, LP (“the Investment Partnership”), holding a 99.98% capital interest up until its dissolution in May 2023 and assignment of its interest in the underlying investment in the STC to the Company. We have audited both the Group and the Investment Partnership until its dissolution in May 2023 and therefore the audit team have audited the whole Group directly.

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The administrator maintains the books and records of the Group. Our audit therefore included obtaining an understanding of this service organisation (including obtaining and reviewing their controls assurance report) and its relationship with the entity.

### **7.2. Our consideration of the control environment**

The accounting function for the Group is provided by a third-party Guernsey regulated service provider. We have obtained their ISAE 3402 Report for the period 1 October 2022 to 30 September 2023 which documents the suitability of design and operating effectiveness of controls. We have reviewed the report and extracted the controls relevant to the accounting functions undertaken by the service provider. As the reporting date of the Group is 31 December 2023, we have obtained a bridging letter from the service provider detailing that there have not been any material changes to the internal control environment nor any material deficiencies in the internal controls. As part of our audit, we obtained an understanding and tested relevant controls around the valuation and ownership of investments and NAV preparation process established at the service provider. We inspected monthly NAV checklists and accompanying reports on a sample basis.



# Independent Auditor’s Report to the Members of Sherborne Investors (Guernsey) C Limited

---

### 7.3. Our consideration of climate-related risks

As part of our audit, we made enquiries of the management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. As disclosed in the Director’s Report on page 9, the Board considers that the impact of climate change does not give rise to a material impact on financial statements as the Company has no direct employees and minimal direct impact on the environment. The Investment Manager is responsible for the management of the portfolio including discussions with the STC in relation to their corporate governance practices and wider community responsibilities. We used our knowledge of the Company to evaluate management’s assessment. We have also read the annual report to consider whether the disclosures in relation to climate change made in the other information within the annual report are materiality consistent with the financial statements and our knowledge obtained during our audit.

### 7.4. Working with other auditors

We directed and supervised the auditors of SIGC LLC by assessing their independence, objectivity and competence through written instructions and reviewed their work virtually. We have obtained reporting deliverables from them as evidence to support our response to the key audit matter.

## 8. 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 directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and 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 course of 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

As explained more fully in the directors’ responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## 10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including the auditors of SIGC LLC and relevant internal specialists, including financial instrument specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the Other net assets underlying intermediary holding entities held by SIGC LLC (see basis for qualified opinion section) and valuation

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

of listed investments at fair value through profit or loss held through SIGC LLC. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008 and the Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

## **11.2. Audit response to risks identified**

As a result of performing the above, we identified the valuation of the Other net assets underlying intermediary holding entities held by SIGC LLC and valuation of listed investments at fair value through profit or loss as key audit matters related to the potential risk of fraud. The basis for qualified opinion and key audit matters sections of our report explain the matters in more detail.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 22;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 10;

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

- the directors' statement on fair, balanced and understandable set out on page 31;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 7;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 23; and
- the section describing the work of the Audit Committee set out on page 27 to 30.

## 13. Matters on which we are required to report by exception

### 13.1. Adequacy of explanations received and accounting records

Arising solely from the limitation on scope of our work relating to the valuation of the Other net assets of the underlying intermediary holding entities held by SIGC LLC, referred to in Section 2.

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records have been kept by the Company.

Under the Companies (Guernsey) Law, 2008 we are also required to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of this matter.

## 14. Other matters which we are required to address

### 14.1 Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board on 30 October 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years, covering the years ended 31 December 2017 to 31 December 2023.

### 14.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

## 15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

# Independent Auditor's Report to the Members of Sherborne Investors (Guernsey) C Limited

---

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R - DTR 4.1.18R. This auditor's report provides no assurance over whether the Annual Financial Report has been prepared in compliance with DTR 4.1.15R - DTR 4.1.18R.



Marc Cleeve, BA, FCA  
For and on behalf of Deloitte LLP  
Recognised Auditor  
St. Peter Port, Guernsey

---

30 April 2024

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	1 January 2023 to 31 December 2023		1 January 2022 to 31 December 2022	
		£	£	£	£
<b>Income</b>					
Unrealised gain/(loss) on financial assets at fair value through profit or loss	<b>1(d), 5</b>		46,852,537		(42,799,033)
Interest income			6,807		853
<b>Total income/(loss)</b>			46,859,344		(42,798,180)
<b>Expenses</b>					
	<b>1(f)</b>				
Management fees	<b>9</b>	2,087,689		4,329,768	
Professional fees		253,526		342,753	
Directors' fees	<b>2,9</b>	203,054		160,000	
Administrative fees		133,273		141,574	
Other fees		178,719		210,045	
Foreign exchange loss/(gain)		82,103		(428,695)	
<b>Total operating expenses</b>			2,938,364		4,755,445
<b>Comprehensive income/(loss)</b>			<b>43,920,980</b>		<b>(47,553,625)</b>
<b>Comprehensive income/(loss) attributable to:</b>					
<b>Equity Shareholders</b>			<b>43,911,376</b>		<b>(47,546,039)</b>
<b>Non-controlling interest (NCI)</b>	<b>1(b)</b>		<b>9,604</b>		<b>(7,586)</b>
<i>Weighted average number of shares outstanding</i>	<b>4</b>		<b>700,000,000</b>		<b>700,000,000</b>
<i>Basic and diluted earnings/(loss) per share attributable to shareholders (excluding NCI)</i>	<b>4</b>		<b>6.27p</b>		<b>(6.79)p</b>

All Income and expenses are derived from continuing operations. There are no items of other comprehensive income.

The accompanying notes form an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
<b>Non-Current Assets</b>					
Financial assets at fair value through profit or loss	<b>1(d),5</b>		565,515,552		524,662,582
			<b>565,515,552</b>		<b>524,662,582</b>
<b>Current Assets</b>					
Cash and cash equivalents	<b>1(h),10</b>	816,593		4,974,113	
Prepaid expenses		18,715		29,831	
		<b>835,308</b>		<b>5,003,944</b>	
<b>Current Liabilities</b>					
Trade and other payables	<b>1(i),6</b>	100,327		227,346	
		<b>100,327</b>		<b>227,346</b>	
<b>Net Current Assets</b>			<b>734,981</b>		<b>4,776,598</b>
<b>Net Assets</b>			<b>566,250,533</b>		<b>529,439,180</b>
<b>Capital and Reserves</b>					
Called up share capital and share premium	<b>7</b>		688,939,403		688,939,403
Retained reserves			(122,688,870)		(159,610,954)
Equity attributable to the Company			566,250,533		529,328,449
Non-controlling interest (NCI)	<b>1(b)</b>		-		110,731
<b>Total Equity</b>			<b>566,250,533</b>		<b>529,439,180</b>
<b>NAV Per Share (excluding NCI)</b>	<b>8</b>		<b>80.89p</b>		<b>75.62p</b>

The Consolidated Financial Statements were approved by the Board of Directors for issue on 24 April 2024.

Signed on behalf of the Board:



Director



Director

The accompanying notes form an integral part of these Consolidated Financial Statements.

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Share Capital and Share Premium £	Retained Reserves £	Non- Controlling Interests £	Total Equity £
<b>Balance at 1 January 2023</b>		<b>688,939,403</b>	<b>(159,610,954)</b>	<b>110,731</b>	<b>529,439,180</b>
Comprehensive income		-	43,911,376	9,604	43,920,980
Distributions	<b>11</b>	-	(7,000,000)	(103,982)	(7,103,982)
NCI transfer		-	10,708	(16,353)	(5,645)
<b>Balance at 31 December 2023</b>		<b>688,939,403</b>	<b>(122,664,870)</b>	<b>-</b>	<b>566,250,533</b>

	Notes	Share Capital and Share Premium £	Retained Reserves £	Non- Controlling Interests £	Total Equity £
<b>Balance at 1 January 2022</b>		<b>688,939,403</b>	<b>(112,276,754)</b>	<b>3,830,856</b>	<b>580,493,505</b>
Comprehensive income		-	(47,546,039)	(7,586)	(47,553,625)
Incentive allocation reversal		-	3,711,839	(3,711,839)	-
Distributions	<b>11</b>	-	(3,500,000)	(700)	(3,500,700)
<b>Balance at 31 December 2022</b>		<b>688,939,403</b>	<b>(159,610,954)</b>	<b>110,731</b>	<b>529,439,180</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.



## Consolidated Statement of Cash Flows

For the year ended 31 December 2023	Notes	1 January 2023 to 31 December 2023 £	1 January 2022 to 31 December 2022 £
<b><i>Cash flows from operating activities</i></b>			
Comprehensive income/(loss)		43,920,980	(47,553,625)
<b>Adjustments for:</b>			
Unrealised (gain) /loss on financial assets at fair value through profit or loss	5	(46,852,537)	42,799,033
Movement in prepaid expenses		11,116	(12,242)
Movement in trade and other payables	6	(127,019)	98,696
Interest income		(6,807)	(853)
<b>Net cash flow used in operating activities</b>		<b>(3,054,267)</b>	<b>(4,668,991)</b>
<b>Investing activities</b>			
Contribution to investments	5	(633,786)	-
Distribution from investments	5	6,633,353	8,116,285
Interest income		6,807	853
<b>Net cash flow from investing activities</b>		<b>6,006,374</b>	<b>8,117,138</b>
<b>Financing activities</b>			
Distributions to non-controlling interest	11	(109,627)	(700)
Distributions to shareholders	11	(7,000,000)	(3,500,000)
<b>Net cash flow used in financing activities</b>		<b>(7,109,627)</b>	<b>(3,500,700)</b>
Net movement in cash and cash equivalents		(4,157,520)	(52,553)
Opening cash and cash equivalents		4,974,113	5,026,666
<b>Closing cash and cash equivalents</b>		<b>816,593</b>	<b>4,974,113</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements

---

## For the year ended 31 December 2023

### 1. Summary of significant accounting policies

#### Reporting entity

Sherborne Investors (Guernsey) C Limited (the “Company”) is a closed-ended investment company with limited liability formed under the Companies (Guernsey) Law, 2008 (as amended). The Company was incorporated and registered in Guernsey on 25 May 2017. The Company’s registered office is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

The Company commenced dealings on the London Stock Exchange’s Specialist Fund Segment on 12 July 2017.

The Company, via SIGC Midco Limited (“Midco”), a former wholly owned subsidiary of the Company which was dissolved and liquidated during the year, owned 99.98% of the capital interest in SIGC, LP (Incorporated) (the “Investment Partnership”), a former subsidiary of the Company which was also dissolved and liquidated during the year as described further below.

During the year, the investment manager of the Investment Partnership, Sherborne Investors Management (Guernsey) LLC, advised that following the Company’s distribution of proceeds from its indirect investment in Navient Corporation (“Navient”), it did not intend to seek to recall any funds for further investment. To effectuate this, the Investment Partnership’s investment manager assigned to the Company the Investment Partnership’s interest in SIGC LLC, as the constitutional documents of SIGC LLC do not permit the recall of distributed capital for reinvestment. As a result of this assignment, the Investment Partnership was dissolved by operation of its limited partnership agreement.

The “Group” is defined as the Company and its former subsidiaries, Midco and the Investment Partnership. Both subsidiaries were established/incorporated in Guernsey. Midco’s and the Investment Partnership’s results for the year are included in the consolidated financial statements up until their respective liquidations. In the opinion of the Directors, there is no single ultimate controlling party.

#### Basis of preparation

The Group’s Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted in the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”) and International Accounting Standards and Standing Interpretations Committee, Interpretations approved by the International Accounting Standards Committee that remain in effect, together with applicable legal and regulatory requirements of Guernsey law.

The Directors of the Company have taken the exemption in Section 244 of the Companies (Guernsey) Law, 2008 (as amended) and have therefore elected to only prepare Consolidated Financial Statements for the year. These Consolidated Financial Statements have been prepared on the historical cost basis, as modified by the measurement at fair value of investments.

#### Going concern

Under the UK Corporate Governance Code 2018 and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Group is a going concern. The Board is of the opinion that the going concern basis should be adopted in the preparation of the Consolidated Financial Statements. Further detail can be found in the Viability Statement on page 10.

The Directors have undertaken a rigorous review of the Company’s ability to continue as a going concern including reviewing the ongoing cash flows and the level of cash balances as of the reporting date, as well as taking forecasts of future cash flows into consideration.

### 1. Summary of significant accounting policies (continued)

#### Going concern (continued)

The Directors have considered the impact to the Company, as well as to Navient, and the stock prices of the two companies, of the current economic environment, including the current interest rates and inflationary environment, and have concluded that there is no impact on the going concern.

As at 31 December 2023, the Company's net current asset position is £0.8 million (2022: £4.8 million) with a net asset value ("NAV") of £566.3 million (2022: £529.3 million).

The Company, via its investment in SIGC LLC and other funds in which the Company is indirectly an investor (the "Funds"), has sufficient liquid assets to meet expected costs. The investment manager of the Funds, Sherborne Investors Management LP (including affiliates, the "Investment Manager"), has the full intent and ability to provide the Company with funds as and if required.

After making enquiries of the Investment Manager and Apex Fund and Corporate Services (Guernsey) Limited (the "Administrator") and, based on sufficient cash reserves as of 31 December 2023, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational activities for the foreseeable future.

Accordingly, they continue to adopt a going concern basis in preparing these audited Consolidated Financial Statements. Please see the Corporate Governance section on page 22.

#### Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Group's Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingencies at the date of the Group's Consolidated Financial Statements and income and expenses during the reported year. Actual results could differ from those estimated

##### i) Critical accounting judgement: Incentive allocation

As more fully described in Note 9, until 24 May 2023 when the Investment Partnership was dissolved, the Special Limited Partner was entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership exceed a certain level. After the Investment Partnership's dissolution, the incentive allocation is incurred at SIGC LLC on the same economic term as previously incurred at the Investment Partnership and accounted on the same basis. Please see Note 9 on page 56 for further details. The basis of the incentive calculation differs depending on how the investment in the Selected Target Company ("STC") is ultimately characterised (i.e., as a Turnaround or Stake Building Investment). The incentive allocation has been computed on a Stake Building Investment basis, as it does not meet the criteria of a Turnaround investment.

##### ii) Critical accounting judgement: Consolidation of entities

As described further in Note 5, as at 31 December 2023 the Company holds a non-controlling interest in SIGC LLC. Whilst the Company holds a majority interest in SIGC LLC and holds access to the rewards and benefits, it does not exercise control over the day-to-day operations nor does it have the ability to remove the controlling party. As such, SIGC LLC is not considered a subsidiary and is not consolidated but held and measured at fair value through profit or loss.

## Notes to the Consolidated Financial Statements (continued)

---

### 1. Summary of significant accounting policies (*continued*)

#### Going concern (*continued*)

#### iii) Source of estimation uncertainty: Financial assets at fair value through profit or loss

The Group's investments are measured at fair value for financial reporting purposes. The fair value of financial assets is based on the net asset value of the investment. The main contribution to their NAV is the quoted closing price of the STC and the Company as at 31 December 2023, together with incentive fee and cash balances. Please see Note 5 for further details.

#### Adoption of new and revised standards

(i) New standards adopted as at 1 January 2023:

The following standards are effective for the first time for the financial period beginning 1 January 2023 and are relevant to the Group and Company's operations:

- IAS 1 (amended), 'Presentation of Financial Statements'
- IAS 8 (amended), 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The above standards have been adopted and did not have a material impact on the financial statements.

(ii) Standards, amendments, and interpretations early adopted by the Group:

There were no standards, amendments and interpretations early adopted by the Group.

(iii) Standards, amendments, and interpretations in issue but not yet effective:

The following standards which are relevant to the Company and its Group, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IAS 7 – Statement of Cash Flows
- Amendments to IFRS 7 – Financial Instruments
- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

Unless stated otherwise, the Directors do not consider the adoption of any new and revised accounting standards and interpretations to have a material impact as the new standards or amendments are not relevant to the operations of the Group.

#### a. Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and two entities previously controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity to obtain benefits from its activities. Investments where a majority interest is held but control is not achieved are held at fair value through profit or loss.

Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling entities' share of changes in equity since the date of the combination. Losses applicable to the non-controlling entities in excess of their interest in the subsidiaries equity are allocated against their interests to the extent that this would create a negative balance.

# Notes to the Consolidated Financial Statements (continued)

---

**For the year ended 31 December 2023**

## **1. Summary of significant accounting policies (continued)**

### **a. Basis of consolidation (continued)**

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances and expenses are eliminated on consolidation.

Whilst the general partner of the Investment Partnership, Sherborne Investors (Guernsey) GP, LLC, a company registered in Delaware, USA, was responsible for directing the day-to-day operations of the Investment Partnership, the Company, through its majority interest in the Investment Partnership, had the ability to approve the proposed investment of the Investment Partnership and to remove the general partner.

The Company has consolidated both the Investment Partnership and Midco in its financial statements, up until their respective liquidations in 2023 as described above in Note 1 under the heading 'Reporting entity'.

### **b. Non-controlling interest**

The interest of non-controlling parties in the subsidiary is measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### **c. Functional currency**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates. The Consolidated Financial Statements are presented in Pound Sterling ("£"), which is the Group's functional and presentational currency.

Transactions in currencies other than £ are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Consolidated Statement of Financial Position are retranslated into £ at the rate of exchange ruling at that date. Exchange differences are reported in the Consolidated Statement of Comprehensive Income.

### **d. Financial assets at fair value through profit or loss**

Investments, including equity investments in associates, are designated at fair value through profit or loss in accordance with IFRS 9 'Financial instruments', as the Group's business model is to invest in financial assets with a view to profiting from their total return in the form of interest and changes in fair value. Under International Accounting Standard 28 'Investments in Associates', the fund can hold its investments at fair value through profit or loss rather than as an associate as the Investment Partnership, until its dissolution, was a closed-ended fund.

Investments in voting shares and derivative contracts are initially recognised at cost and subsequently re-measured at fair value, as determined by the Directors. Unrealised gains or losses arising from the revaluation of investments in voting shares and derivative contracts are taken directly to the Consolidated Statement of Comprehensive Income.

The Group's investments are measured at fair value for financial reporting purposes as described earlier in Note 1 under critical accounting judgements and key sources of estimation uncertainty.

In determining fair value in accordance with IFRS 13 'Fair Value Measurement' ("IFRS 13"), investments measured and reported at fair value are classified and disclosed in one of the following categories within the fair value hierarchy:

For the year ended 31 December 2023

### 1. Summary of significant accounting policies (continued)

#### d. Financial assets at fair value through profit or loss (continued)

**Level I** - An unadjusted quoted price for identical assets and liabilities in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available. As required by IFRS 13, the Group will not adjust the quoted price for these investments, even in situations where it holds a large position, and a sale could reasonably impact the quoted price.

**Level II** - Inputs are other than unadjusted quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined using models or other valuation methodologies.

**Level III** - Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation.

The Group's investments are summarised by Level in Note 5. On disposal of shares, cost of investments is allocated on a first in, first out basis.

#### e. Revenue recognition

Investment income and interest receivable from short-term deposits and Treasury gilts are recognised on an accruals basis. Where receipt of investment income is not likely until the maturity or realisation of an investment then the investment income is accounted for as an increase in the fair value of the investment.

#### f. Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Consolidated Statement of Comprehensive Income in the year in which they occur.

#### g. Prepaid expenses and trade receivables

Trade and other receivables are initially recognised at fair value and subsequently, re-measured at amortised cost using the effective interest method. A provision for an expected credit loss on trade receivables is established when there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivables. The Group only holds trade receivables with no financing component, and which have maturities of less than 12 months at amortised cost and has therefore applied the simplified approach to expected credit loss.

#### h. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Consolidated Statement of Cash Flows. The carrying amount of these assets approximate their fair value, unless otherwise stated.

#### i. Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently, re-measured at amortised cost using the effective interest method.

## Notes to the Consolidated Financial Statements (continued)

---

### For the year ended 31 December 2023

#### j. Financial instruments

Financial assets and liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

#### k. Segmental reporting

As the Group invests in one investee company, there is no segregation between industry, currency, or geographical location and therefore no further disclosures are required in conjunction with IFRS 8 'Operating Segments'.

#### l. Incentive allocation

Until 24 May 2023, when the Investment Partnership was dissolved, the incentive allocation was accounted for on an accrual basis (see in Note 9). After the Investment Partnership's dissolution, the incentive allocation is incurred at SIGC LLC on the same economic term as previously incurred at the Investment Partnership and accounted on the same basis. Please see Note 9 on page 56 for further details. The incentive allocation was payable to the non-controlling interest and would therefore be recognised in the Consolidated Statement of Changes in Equity rather than recognised as an expense in the Consolidated Statement of Comprehensive Income.

### 2. Comprehensive income/(loss)

The consolidated comprehensive income/(loss) has been arrived at after charging:

	1 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
	£	£
Directors' fees	203,054	160,000
Auditor's remuneration - Audit	55,000	47,000
Auditor's remuneration - Interim review	28,000	28,000

### 3. Tax on ordinary activities

The Company has been granted exemption from income tax in Guernsey under the Income Tax (Exempt Bodies) (Bailiwick of Guernsey) Ordinance 1989 and is liable to pay an annual fee (currently £1,200 per company) under the provisions of the Ordinance. As such it will not be liable to income tax in Guernsey other than on Guernsey source income (excluding deposit interest on funds deposited with a Guernsey bank). No withholding tax is applicable to distributions to Shareholders by the Company.

The Investment Partnership was not itself subject to taxation in Guernsey. No withholding tax was applicable to distributions to partners of the Investment Partnership.

Income which is wholly derived from the business operations conducted on behalf of the Investment Partnership with, and investments made in, persons or companies who are not resident in Guernsey will not be regarded as Guernsey source income. Such income will not therefore be liable to Guernsey tax in the hands of non-Guernsey resident limited partners.

The Funds may be liable to pay withholding tax on behalf of non-US persons, such as the Company, on dividend income from US sources, such as Navient. The maximum statutory withholding tax rate is 30%.

## Notes to the Consolidated Financial Statements (continued)

### For the year ended 31 December 2023

#### 4. Earnings per share

The calculation of basic and diluted earnings per share is based on the return on ordinary activities less total comprehensive income attributable to the non-controlling interest and on there being 700,000,000 (2022: 700,000,000) weighted average number of shares in issue during the year.

The earnings per share for the year attributable to equity shareholders ended 31 December 2023 amounted to 6.28 pence per share (31 December 2022: a loss of 6.79 pence per share).

Date	Shares	Days in issue	Weighted Average Shares
31 December 2023	700,000,000	365	700,000,000
31 December 2022	700,000,000	365	700,000,000

#### 5. Financial assets at fair value through profit or loss

	2023 £	2022 £
Opening fair value	524,662,582	575,577,900
Contribution to investments	633,786	-
Distributions from investments	(6,633,353)	(8,116,285)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	46,852,537	(42,799,033)
<b>Closing fair value</b>	<b>565,515,552</b>	<b>524,662,582</b>

The following tables summarise by level within the fair value hierarchy the Group's financial assets and liabilities at fair value as follows:

	Level I £	Level II £	Level III £	Total £
<b>31 December 2023</b>				
Financial assets at fair value through profit and loss	-	-	565,515,552	565,515,552
<b>31 December 2022</b>				
Financial assets at fair value through profit and loss	-	-	524,662,582	524,662,582

As at 31 December 2023, the Group's investment consists solely of a non-controlling interest in SIGC LLC which was organised to invest in the STC. With SIGC LLC's balance sheet being measured at fair value, the NAV of SIGC LLC provides the best estimate of fair value for the Company's investment in SIGC LLC.

SIGC LLC's investment, via an intermediary, consisted of its non-controlling interest in Newbury Investors LLC ("Newbury"). Newbury's investment in the STC consisted of both common stock of Navient and of the Company.

The Investment Manager continually evaluates the optimal allocation of Newbury's ownership of shares in Navient versus those of the Company. The Investment Manager may from time to time buy or sell shares in Navient and the Company to adjust the allocation. Some of the factors in the allocation decision include the relative liquidity of the shares of Navient and the Company, the discount to net asset value at which the Company's shares trade and various tactical considerations, and general market conditions. Furthermore, the Level III investments disclosed in the financial statements are solely comprised of the Group's non-controlling interest in SIGC LLC. The value of those investments equated to the Company's maximum exposure to loss from the SIGC LLC and Newbury.



## Notes to the Consolidated Financial Statements (continued)

### For the year ended 31 December 2023

A reconciliation of fair value measurements in Level III is set out in the following table:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening fair value	524,662,582	575,577,900
Contribution to investments	633,786	-
Distributions from investments	(6,633,353)	(8,116,285)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	46,852,537	(42,799,033)
<b>Closing fair value</b>	<b>565,515,552</b>	<b>524,662,582</b>

Capital contributions made during the year ended 31 December 2023 were made based on excess cash held at the Investment Partnership prior to its dissolution. Capital distributions made during the year ended 31 December 2023 were made to fund the Company's dividend payment. Capital distributions made during the year ended 31 December 2022 were made to return excess funds drawn including the funding of the Company's dividend payment.

The key unobservable input in the valuation of the Level III investment is the value of SIGC LLC's indirect non-controlling interests in the underlying intermediaries which is impacted by the share price of the Navient and the Company.

Refer to Note 10 for the sensitivity analysis regarding changes in the Navient and the Company share prices.

### 6. Trade and other payables

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Professional fees payable	15,298	144,628
Administration fees payable	30,029	35,718
Audit fees payable	55,000	47,000
<b>Total</b>	<b>100,327</b>	<b>227,346</b>

### 7. Consolidated share capital and share premium

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
<b>Authorised share capital</b>	<b>No.</b>	<b>No.</b>
Ordinary Shares of no par value	Unlimited	Unlimited
<b>Issued and fully paid</b>	<b>No.</b>	<b>No.</b>
Ordinary Shares of no par value	700,000,000	700,000,000
	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
<b>Share premium account</b>	<b>£</b>	<b>£</b>
Share premium account upon issue	700,000,000	700,000,000
Less: Costs of issue	(11,060,597)	(11,060,597)
Closing balance	688,939,403	688,939,403

## Notes to the Consolidated Financial Statements (continued)

### For the year ended 31 December 2023

Each Ordinary share has equal voting rights and no par value with no right to fixed income.

### 8. Net asset value per share attributable to the Company (excluding NCI)

	Basic and Diluted	
	No. of Shares	Pence per Share
<b>31 December 2023</b>	700,000,000	80.90
<b>31 December 2022</b>	700,000,000	75.62

### 9. Related party transactions

The Investment Partnership and its General Partner engaged Sherborne Investors Management (Guernsey) LLC to serve as investment manager until the Investment Partnership's dissolution as disclosed in Note 1. The Investment Manager was entitled to receive from the Investment Partnership a monthly management fee equal to one-twelfth of 1% of the net asset value of the Investment Partnership, less cash and cash equivalents and certain other adjustments. During the year ended 31 December 2023, management fees of £2,087,689 (year ended 31 December 2022: £4,329,768) were paid by the Investment Partnership. No balance was outstanding at 31 December 2023 (31 December 2022: £Nil).

The Special Limited Partner interest was held by Sherborne Investors LP until the Investment Partnership's dissolution as disclosed in Note 1. The Special Limited Partner was entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership, of which one was the Company, exceeded a certain level of capital contributions to the Investment Partnership, excluding amounts contributed attributable to management fees.

For Turnaround investments, the incentive allocation is computed at 10% of the distributions to all partners in excess of 110%, increasing to 20% of the distributions to all partners in excess of 150% and increasing to 25% of the distributions to all partners in excess of 200% of capital contributions, excluding amounts contributed attributable to management fees. An investment is considered a Turnaround investment when a member of the General Partner is appointed chairman of, or accepts an executive role at, the STC.

If, after acquiring a shareholding, the share price of the STC rises to a level at which further investment and the effort of a Turnaround is, in the investment manager's opinion, no longer justified or otherwise no longer presents a viable Turnaround opportunity, the Investment Partnership intends to sell (and distribute the proceeds to the Company) or distribute in kind the holding to the limited partners (in each case after deductions for any costs and expenses and for the Investment Partnership's Minimum Capital Requirements and subject to applicable law and regulation), rather than seeking to join the Board of Directors or otherwise engage with the STC (a "Stake Building Investment").

For Stake Building Investments, the incentive allocation is computed at 20% of net returns on the investment of the Investment Partnership, such amount to be payable after each partner in the Investment Partnership has had distributed to it an amount equal to its aggregate capital contribution to the Investment Partnership in respect to the Stake Building Investment (excluding any capital contributions attributable to management fees). The Special Limited Partner may waive or defer all or any part of any incentive allocation otherwise due.

At 31 December 2023, there is no incentive allocation payable by the Investment Partnership (31 December 2022: £Nil).

Pursuant to its constitutional documents, the management fee and incentive allocation, incurred at SIGC LLC are on the same economic terms as incurred at the Investment Partnership as described above.

## Notes to the Consolidated Financial Statements (continued)

### For the year ended 31 December 2023

#### 9. Related party transactions (continued)

During the year ended 31 December 2023, management fees of £3,143,749 were paid by SIGC LLC (year ended 31 December 2022: £Nil). No balance was outstanding at 31 December 2023 (31 December 2022: £Nil). At 31 December 2023, the incentive allocation at SIGC LLC has been computed based on a Stake Building Investment basis and amounted to £1,585,047 (31 December 2022: £Nil).

Each of the Directors (other than the Chairman) receives a fee payable by the Company currently at a rate of £35,000 per annum. The Chairman of the Audit Committee receives £5,000 per annum in addition to such fee. The Chairman receives a fee payable by the Company currently at the rate of £50,000 per annum.

Individually and collectively, the Directors of the Company hold no shares of the Company as at 31 December 2023 (2022: nil).

Sherborne Investors GP, LLC has granted to the Company a non-exclusive licence to use the name “Sherborne Investors” in the UK and the Channel Islands in the corporate name of the Company and in connection with the conduct of the Company’s business affairs. The Company may not sub-licence or assign its rights under the Trademark Licence Agreement. Sherborne Investors GP, LLC receives a fee of £70,000 per annum for the use of the licenced name.

#### 10. Financial risk factors

The Group’s investment objective is to realise capital growth from investment in the STC, identified by the Investment Manager, with the aim of generating significant capital return for Shareholders. Consistent with that objective, the Group’s financial instruments mainly comprise an investment in a STC. In addition, the Group holds cash and cash equivalents as well as having trade and other receivables and trade and other payables that arise directly from its operations.

##### *Liquidity risk*

The Group’s cash and cash equivalents are placed in demand deposits with a range of financial institutions. The listed investment in the STC could be partially redeemed relatively quickly (within 3 months) should the Group need to meet obligations or ongoing expenses as and when they fall due.

The following table details the liquidity analysis for financial liabilities at the date of the Consolidated Statement of Financial Position:

<b>As at 31 December 2023</b>	<b>Less than 1 month</b>	<b>1 – 12 months</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	4,120	96,207	100,327
	<b>4,120</b>	<b>96,207</b>	<b>100,327</b>

<b>As at 31 December 2022</b>	<b>Less than 1 month</b>	<b>1 – 12 months</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	116,928	110,418	227,346
	<b>116,928</b>	<b>110,418</b>	<b>227,346</b>

For the year ended 31 December 2023

### 10. Financial risk factors (continued)

#### ***Credit risk***

The Group is exposed to credit risk in respect of its cash and cash equivalents, arising from possible default of the relevant counterparty, with a maximum exposure equal to the carrying value of those assets. The credit risk on liquid funds is mitigated through the Group depositing cash and cash equivalents across several banks.

Royal Bank of Scotland International has a stand-alone long term credit rating of A- with Standard & Poor's (31 December 2022: A- with standard & Poor's) whilst Barclays Bank PLC has a standalone long term credit rating of A+ with Standard & Poor's (31 December 2022: A with Standard & Poor's). The Group considers these ratings to be acceptable.

#### ***Market price risk***

Market price risk arises as a result of the Group's exposure to the future values of the share price of the STC including the share price of Navient and the Company. It represents the potential loss that the Group may suffer through investing in the STC.

The sensitivity analysis below has been determined based on the exposure to investment funds at the reporting date. The 10% reasonably possible price movement for investment funds is based on the Investment Manager's best estimates. The sensitivity rate for these investments of 10% is regarded as reasonable, as in the Investment Manager's view there continues to be potential for market volatility in the coming year.

As at 31 December 2023, the share price of Navient and the Company were \$18.62 per share and 59.5 pence per share, respectively, which produced the Company's NAV of £566.3 million. At 31 December 2023 a 10% increase in the share price of Navient and the Company would increase the Company's NAV by approximately £42.7 million. At 31 December 2023 a 10% decrease in the share price of Navient and the Company would decrease the Company's NAV by approximately £51.8 million.

#### ***Foreign exchange risk***

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Investment Manager monitors the Group's monetary and non-monetary foreign exchange exposure on a regular basis. The Group has limited direct foreign exchange risk exposure. SIGC LLC's investment in the US based STC during the year exposes SIGC LLC to foreign currency risk, however, as a Group this is considered as part of market price risk.

#### ***Interest rate risk***

The Group is subject to risks associated with changes in interest rates in respect of interest earned on its cash and cash equivalents. The Group seeks to mitigate this risk by monitoring the placement of cash balances on an on-going basis in order to maximise the interest rates obtained.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

### 10. Financial risk factors (continued)

As at 31 December 2023

	Less than 1 month £	1 month to 3 months £	3 months to 1 year £	Non- interest bearing £	Total £
<b>Assets</b>					
Cash and cash equivalents	816,593	-	-	-	816,593
Financial assets held at fair value through profit or loss	-	-	-	565,515,552	565,515,552
<b>Total Assets</b>	<b>816,593</b>	<b>-</b>	<b>-</b>	<b>565,515,552</b>	<b>566,332,145</b>
<b>Liabilities</b>					
Other payables	-	-	-	100,327	100,327
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,327</b>	<b>100,327</b>

As at 31 December 2022

	Less than 1 month £	1 month to 3 months £	3 months to 1 year £	Non- interest bearing £	Total £
<b>Assets</b>					
Cash and cash equivalents	4,974,113	-	-	-	4,974,113
Financial assets held at fair value through profit or loss	-	-	-	524,662,582	524,662,582
<b>Total Assets</b>	<b>4,974,113</b>	<b>-</b>	<b>-</b>	<b>524,662,582</b>	<b>529,636,695</b>
<b>Liabilities</b>					
Other payables	-	-	-	227,346	227,346
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,346</b>	<b>227,346</b>

As at 31 December 2023, the total interest sensitivity gap for interest bearing items was a surplus of £816,593 (2022: £4,974,113).

As at 31 December 2023, interest rates reported by the Bank of England were 5.25% (31 December 2022: 3.5%) which would equate to net income of £42,871 (31 December 2022: £174,094) per annum if interest bearing assets and liabilities remained constant. If interest rates were to fluctuate by 100 basis points (2022: 200 basis points), this would have a positive or negative effect of £8,166 (2022: positive or negative effect of £49,741) on the Group's annual income.

#### **Capital risk management.**

The capital structure of the Company consists of proceeds raised from the issue of Ordinary Shares. As at 31 December 2023, the Group is not subject to any external capital requirement.

The Directors believe that at the date of the Consolidated Statement of Financial Position there were no other material risks associated with the management of the Group's capital.

### For the year ended 31 December 2023

#### 11. Distributions

Distributions of 109,627 were paid by the Group to non-controlling interests on 16 October 2023 (year ended 31 December 2022: £700). During the year ended 31 December 2023 the Company paid a dividend of 1.0 pence per share as follows: 0.5 pence per share, or £3.5 million was paid, on 26 May 2023 to shareholders on the register at 5 May 2023 and 0.5 pence per share, or £3.5 million, was paid on 6 October 2023 to shareholders on the register at 15 September 2023. During the year ended 31 December 2022 the Company paid a dividend of 0.5 pence per share, or £3.5 million, on 16 September 2022 to shareholders on the register at 26 August 2022.

#### 12. Subsequent events

On 15 March 2024 Navient paid a dividend of \$0.16 per share to shareholders of record on 1 March 2024.

The Company has declared a dividend on 30 April 2024 of 0.5 pence per share, payable on 31 May 2024 to shareholders on the register at 10 May 2024.

There were no other material subsequent events that require disclosure in the consolidated financial statements.