RNS Number : 7793C
Sherborne Investors (Guernsey)C Ltd
04 September 2024

SHERBORNE INVESTORS (GUERNSEY) C LIMITED

Interim Report and Unaudited Condensed Financial Statements
For the period from 1 January 2024 to 30 June 2024

Company Summary

The Company	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's Specialist Fund Segment ("SFS"). The Company was incorporated on 25 May 2017. The Company commenced dealings on the SFS on 12 July 2017.
Investment Objective	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.
Investment Policy	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.
Investment Manager	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 period.

Chairman's Statement

For the period ended 30 June 2024

Dear Shareholder,

I am pleased to present the Interim Report of Sherborne Investors (Guernsey) C Limited (the "Company") for the period 1 January 2024 to 30 June 2024.

As at 30 June 2024, the net asset value ("NAV") attributable to shareholders of the Company was £454.7 million (30 June 2023: £570.6 million and 31 December 2023: £566.3 million) or 65.0 pence per share (30 June 2023: 81.5 pence per share and 31 December 2023: 80.9 pence per share) (see Note 8). As at 31 August 2024 the estimated (unaudited) NAV, as reported, was 71.0 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 26.9% 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.

In 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 the first phase of Navient's strategic review update announced on 30 January 2024. The strategic review consisted of three primary objectives: outsourcing of loan servicing, divestiture of a non-core division, and a reduction in operating expenses. Navient subsequently confirmed in its Q2 earnings release on 24 July 2024 that these objectives were being achieved as previously set out.

On 13 August 2024, Navient announced further progress on the strategic review by reaching an agreement to sell its Healthcare Services segment of the Business Processing Solutions division for 365 million in cash. This transaction is expected to close by the end of September. 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 or Navient's website at www.navient.com.

I am pleased to announce that the Company is declaring a 0.5 pence per share dividend to be paid on 4 October 2024 to shareholders of record on 13 September 2024. The present intention is to pay a further 0.5 pence per share to shareholders following the full year results.

The principal risks and uncertainties of the Company are in relation to performance risk, market risk, relationship risk and operational risk. These are unchanged from 31 December 2023, and further details may be found in the Directors' Report within the Annual Report and Audited Consolidated Financial Statements of the Company for the year ended 31 December 2023. The Directors will continue to assess the principal risks and uncertainties relating to the Company for the remaining six months of the year but expect these to remain unchanged.

Details of related party transactions during the period are included in Note 9 of the Condensed Financial Statements.

Responsibility statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted in the European Union;

- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and their impact on the condensed financial statements and description of principal risks and uncertainties for the remaining six months of the year);

- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein);

- The condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R; and

- The condensed set of financial statements have not been subject to an audit or review by an independent auditor.

Going Concern

The Condensed Financial Statements have been prepared on the going concern basis. The net current asset position as at 30 June 2024 is £0.6 million. The Directors have considered the impact to the Company, as well as to Navient Corporation's ("Navient") and the Company's stock prices, 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. At 30 June 2024 the Company had a NAV of £454.7 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 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 30 June 2024, 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 concern basis should be adopted in the preparation of the Condensed Financial Statements.

Condensed Statement of Comprehensive Income (Unaudited)

For the period from 1 January 2024 to 30 June 2024

		1 January 2024 to 30 June 2024 (Unaudited)		1 January 2023 to 30 June 2023 (Unaudited) (Restated)*		1 January 2023 to 31 December 2023 (Audited)	
	Notes	£	£	£	£	£	£

	Notes	£	£	£	£	£	£
Income	**1(e)**						
Unrealised (loss)/gain on financial assets at fair value through profit or loss	**1(d),5**		(107,634,577)		52,737,183		46,852,537
Interest income			3,595		2,400		6,807
Total income/(loss)			(107,630,982)		52,739,583		46,859,344
Expenses	**1(f)**						
Management fees		-		-		2,087,689	
Professional fees		108,579		149,062		253,526	
Directors' fees	**2, 9**	97,500		105,318		203,054	
Administrative fees		60,236		22,713		133,273	
Other fees		87,033		61,396		178,718	
Foreign exchange gain		-		-		82,104	
Total operating expenses			352,609		338,489		2,938,364
Comprehensive loss/(income)			**(107,983,591)**		**52,401,094**		**43,920,980**
Weighted average number of shares outstanding	**4**		**700,000,000**		**700,000,000**		**700,000,000**
Basic and diluted (deficit)/earnings per share	**4**		**(15.43p)**		**7.48p**		**6.27p**

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

* Refer to note 1 in the notes to the Financial Statements.

Although not required by IAS 34 - 'Interim Financial Reporting', the comparative figures for the preceding year and the related notes have been included on a voluntary basis.

The accompanying notes form an integral part of these Condensed Financial Statement.

Condensed Statement of Financial Position (Unaudited)

As at 30 June 2024

		30 June 2024 (Unaudited)		**30 June 2023 (Unaudited) (Restated)***		**31 December 2023 (Audited)**	
	Notes	**£**	**£**	**£**	**£**	**£**	**£**
Non-Current Assets							
Financial assets at fair value through profit or loss	**1(d), 5**		454,130,975		569,043,450		565,515,552
			454,130,975		**569,043,450**		565,515,552
Current Assets							
Cash and cash equivalents	**1(h)**	674,929		1,552,622		816,593	
Prepaid expenses		48,982		50,934		18,715	
		723,911		**1,603,556**		**835,308**	
Current Liabilities							
Trade and other payables	**1(i), 6**	87,944		73,282		100,327	
		87,944		**73,282**		**100,327**	
Net Current Assets			635,967		**1,530,274**		**734,981**
Net Assets			**454,766,942**		**570,573,724**		**566,250,533**
Capital and Reserves							
Called up share							

Called up share capital and share premium	7	688,939,403	688,939,403	688,939,403
Retained reserves		(234,172,461)	(118,365,679)	(122,688,870)
Equity attributable to the Company		454,766,942	570,573,724	566,250,533
Total Equity		**454,766,942**	**570,573,724**	**566,250,533**
NAV Per Share	**8**	**64.97p**	**81.51p**	**80.89p**

The Condensed Financial Statements were approved by the Board of Directors for issue on 03 September 2024.

* Refer to note 1 in the notes to the Financial Statements.

Although not required by IAS 34 - 'Interim Financial Reporting', the comparative figures for the preceding year and the related notes have been included on a voluntary basis.

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

Condensed Statement of Changes in Equity (Unaudited)

For the period from 1 January 2024 to 30 June 2024

	Notes	**Share Capital and Share Premium £**	**Retained Reserves £**	**Total Equity £**
Balance at 1 January 2024 (unaudited)		**688,939,403**	**(122,688,869)**	**566,250,534**
Comprehensive loss		-	(107,983,591)	(107,983,591)
Distributions	11	-	(3,500,000)	(3,500,000)
Balance at 30 June 2024 (unaudited)		**688,939,403**	**234,172,461**	**454,766,942**

		Share Capital and Share Premium £	**Retained Reserves £**	**Non-Controlling Interests**	**Total Equity £**
Balance at 1 January 2023 (Audited)		**688,939,403**	**(159,610,954)**	**110,731**	**529,439,180**
Adjustment for deconsolidation		-	(7,655,819)	(110,731)	(7,766,550)
Balance at 1 January 2023 (as restated)		**688,939,403**	**(167,266,773)**	-	**521,672,630**
Comprehensive gain		-	52,401,094	-	52,401,094
Distributions	11	-	(3,500,000)	-	(3,500,000)
Balance at 30 June 2023 (unaudited)		**688,939,403**	**(118,365,679)**	**-**	**570,573,724**

		Share Capital and Share Premium £	**Retained Reserves £**	**Non-Controlling Interests**	**Total Equity £**
Balance at 1 January 2023 (Audited)		**688,939,403**	**(159,610,954)**	**110,731**	**529,439,180**
Adjustment for deconsolidation		-	(7,655,819)	(110,731)	(7,766,550)
Balance at 1 January 2023 (as restated)		**688,939,403**	**(167,266,773)**	-	**521,672,630**
Comprehensive gain		**-**	43,920,980	-	43,920,980
Distributions	11	**-**	(7,000,000)	-	(7,000,000)
Reclassification for transfer of balance*		**-**	7,656,924	-	7,656,924
Balance at 31 December 2023 (unaudited)		**688,939,403**	**(122,688,869)**	**-**	**566,250,534**

* Refer to note 1 in the notes to the Financial Statements.

Although not required by IAS 34 - 'Interim Financial Reporting', the comparative figures for the preceding year and the related notes have been included on a voluntary basis.

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

Condensed Statement of Cash Flows (Unaudited)

For the period from 1 January 2024 to 30 June 2024

	Notes	1 January 2024 to 30 June 2024 (unaudited) £	1 January 2023 to 30 June 2023 (unaudited) £	1 January 2023 to 31 December 2023 (unaudited) £
			(Restated)*	(Restated)*
Cash flows from operating activities				
Comprehensive income/(loss)		(107,983,591)	52,401,094	51,541,495
Adjustments for:				
Unrealised (gain)/loss on financial assets at fair value through profit or loss	5	107,634,577	(52,737,183)	(52,209,285)
Movement in prepaid expenses		(30,267)	(21,103)	11,116
Movement in trade and other payables	6	(12,383)	(104,196)	(77,152)
Interest income		(3,595)	(2,400)	(5,911)
Net cash flow used in operating activities		**(395,259)**	**(463,788)**	**(739,737)**
Investing activities				
Distributions from investments	5	3,750,000	3,500,285	6,536,695
Interest income		3,595	2,400	5,911
Net cash flow from investing activities		**3,753,595**	**3,502,685**	**6,542,606**
Financing activities				
Distributions to shareholders	11	(3,500,000)	(3,500,000)	(7,000,000)
Net cash flow used in financing activities		**(3,500,000)**	**(3,500,000)**	**(7,000,000)**
Net movement in cash and cash equivalents		(141,665)	(461,103)	(1,197,131)
Opening cash and cash equivalents		816,594	2,013,725	2,013,725
Closing cash and cash equivalents		**674,929**	**1,552,622**	**816,594**

* Refer to note 1 in the notes to the Financial Statements.

Although not required by IAS 34 - 'Interim Financial Reporting', the comparative figures for the preceding year and the related notes have been included on a voluntary basis.

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

Notes to the Condensed Financial Statements

For the period from 1 January 2024 to 30 June 2024

1. Summary of significant accounting policies

Reporting entity

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 in 2023, 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 in 2023 as described further below.

In 2023, 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" was 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 were 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 Company's Condensed unaudited 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 Condensed unaudited Financial Statements of the Company have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34") as adopted in the European Union, 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 standalone Financial Statements for the period.

These Condensed Financial Statements have been prepared on the historical cost basis, as modified by the measurement at fair value of investments. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period.

Going concern

The Condensed Financial Statements have been prepared on the going concern basis. The net current asset position as at 30 June 2024 is £0.6 million. The Directors have considered the impact to the Company, as well as to Navient Corporation's ("Navient") and the Company's stock prices, 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. At 30 June 2024 the Company had a NAV of £454.7 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 the sufficient cash reserves as at 30 June 2024, the Directors have a reasonable expectation that the Company has adequate resources to continue its operational activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing these Condensed Financial Statements.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Company's Condensed Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company's Condensed Financial Statements and revenue and expenses during the reported period. 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. 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 30 June 2024 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.

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

The Company's investments are measured at fair value for financial reporting purposes. The fair value of financial assets is based on the net asset value ("NAV") of the investment. The main contribution to their NAV is the quoted closing price of the STC and the Company at 30 June 2024, together with cash balances. Please see Note 5 for further details.

Adoption of new and revised standards

(i) New standards adopted as at 1 January 2024:

The following standards are effective for the first time for the financial period beginning 1 January 2024 and are relevant to the Company's operations:

- 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.

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 Company:

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

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

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 - Presentation and Disclosure in Financial Statements.

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 amendment are not relevant to the operations of the Company.

c. Functional currency

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

("£"), which is the Company'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 Condensed Statement of Financial Position are retranslated into £ at the rate of exchange ruling at that date. Exchange differences are reported in the Condensed Statement of Comprehensive Income.

d. Financial assets at fair value through profit or loss

Investments, including equity investments in associates, are designated as fair value through profit or loss in accordance with IFRS 9 'Financial instruments', as the Company'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 is a closed-ended fund.

Investments in voting shares and derivative contracts are initially recognised at cost and are 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 Condensed Statement of Comprehensive Income.

The Company'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:

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 Company 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 through the use of 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 Company'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 Condensed Statement of Comprehensive Income in the period in which they occur.

g. Prepaid expenses and trade receivables

Trade and other receivables are initially recognised at fair value and subsequently, where necessary, re-measured at amortised cost using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivables. The Company 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 Condensed 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, where necessary, re-measured at amortised cost using the effective interest method.

j. Financial instruments

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

k. Segmental reporting

As the Company 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 accruals basis (see also 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 for further details. The incentive allocation was payable to the non-controlling interest and would therefore be recognised in the Condensed Statement of Changes in Equity rather than recognised as an expense in the Condensed Statement of Comprehensive Income.

m. Change in reporting entity

In the current period, the Company has transitioned from presenting consolidated financial statements to unconsolidated financial statements due to the liquidation of its subsidiaries. This change has been applied retrospectively to ensure comparability with the current year's financial statements, in accordance with IFRS 10 and IAS 1.

The financial statements for the period ended 30 June 2023 and 31 December 2023 have been restated to reflect the changes as if the entities were not consolidated.

As per IFRS10, upon the dissolution of a subsidiary, the parent shall account for all amounts previously recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had disposed of the related assets or liabilities. In December 2023, the Company recognised an amount of £7.6 as reclassification for transfer of balances directly to retained reserves relation to the amount that was booked at the Investment Partnership prior to the dissolution. This is reflected in the Condensed Statement of Changes in Equity on line item 'Reclassification for transfer of balances'.

2. Comprehensive income/(loss)

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

	1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023	1 January 2023 to 31 December 2023
	£	£	£
Directors' fees	97,500	105,318	203,054
Auditor's remuneration - Audit	55,000	31,000	55,000
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 £1,600) 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 is 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.

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 weighted average number of shares in issue during the period (30 June 2023: 700,000,000 and 31 December 2023: 700,000,000). The earnings per share attributable to shareholders for the period ended 30 June 2024 amounted to a deficit of 15.43 pence per share (period ended 30 June 2023: 7.48 pence per share and year ended 31 December 2023: 7.36 pence per share).

Date	Shares	Days in issue	Weighted Average Shares
30 June 2024	700,000,000	181	700,000,000
31 December 2023	700,000,000	365	700,000,000

5. Financial assets at fair value through profit or loss

	As at 30 June 2024 £	As at 30 June 2023 £	As at 31 December 2023 £
Opening fair value	565,515,552	519,806,267	519,806,267
Contribution to investments	-	-	-
Distributions from investments	(3,750,000)	(3,500,000)	(6,500,000)
Unrealised gain on financial assets at fair value through profit or loss	(107,634,577)	52,737,183	52,209,285
Closing fair value	**454,130,975**	**569,043,450**	**565,515,552**

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

30 June 2024	Level I £	Level II £	Level III £	Total £
Financial assets at fair value through profit and loss	-	-	454,130,975	454,130,975
30 June 2023	£	£	£	£
Financial assets at fair value through profit and loss	-	-	569,043,450	569,043,450
31 December 2023	£	£	£	£
Financial assets at fair value through profit and loss	-	-	565,515,552	565,515,552

As at 30 June 2024, the Company'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 Company's non-controlling interest in SIGC LLC. The value of those investments equated to the Company's maximum exposure to loss from SIGC LLC and Newbury.

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

	As at 30 June 2024 £	As at 30 June 2023 £	As at 31 December 2023 £
Opening fair value	565,515,552	519,806,267	519,806,267
Distributions from investments	(3,750,000)	(3,500,000)	(6,500,000)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	(107,634,577)	52,737,183	52,209,285
Closing fair value	**454,130,975**	**569,043,450**	**565,515,552**

Capital distributions made during the period ended 30 June 2024 were made to fund the Company's dividend payment

Capital distributions made during the period ended 30 June 2024 were made to fund the Company's dividend payment.
Capital distributions made during the year ended 31 December 2023 were made to fund the Company's dividend payment.
Capital distributions made during the period ended 30 June 2023 were made to fund the Company's dividend payment.

The key unobservable inputs 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 Navient and the Company.

6. Trade and other payables

	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023
	£	£	£
Professional fees payable	30,565	12,697	15,298
Administration fees payable	30,025	11,440	30,025
Audit fees payable	27,350	43,500	55,000
Other payables	4	5,645	4
Total	**87,944**	**73,282**	**100,327**

7. Share capital and share premium

	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023
Authorised share capital	**No.**	**No.**	**No.**
Ordinary Shares of no par value	Unlimited	Unlimited	Unlimited
Issued and fully paid	**No.**	**No.**	**No.**
Ordinary Shares of no par value	700,000,000	700,000,000	700,000,000

8. Net asset value per share attributable to the Company

	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023
Share premium account	**£**	**£**	**£**
Share premium account upon issue	700,000,000	700,000,000	700,000,000
Less: Costs of issue	(11,060,597)	(11,060,597)	(11,060,597)
Closing balance	**688,939,403**	**688,939,403**	**688,939,403**

	No. of Shares	Pence per Share
30 June 2024	700,000,000	64.97
30 June 2023	700,000,000	81.51
31 December 2023	700,000,000	80.90

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 period ended 30 June 2024, management fees of £Nil (period ended 30 June 2023: £Nil and year ended 31 December 2023: £2,087,689) were paid by the Investment Partnership. No balance was outstanding at the period end (period ended 30 June 2023: £Nil and year ended 31 December 2023: £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 was 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 was 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").

to join the Board of Directors or otherwise engage with the STC (a "Stake Building Investment").

For Stake Building Investments, the incentive allocation was 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 30 June 2024, there is no incentive allocation payable by the Investment Partnership. At 30 June 2023 and 31 December 2023, the incentive allocation was calculated based on a stake building basis and amounted to £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.

During the period ended 30 June 2024, each of the Directors (other than the Chairman) received a fee payable by the Company at the rate of £35,000 per annum. The Chairman of the Audit Committee received £5,000 per annum in addition to such fee. The Chairman received a fee payable by the Company at the rate of £50,000 per annum. As such fees had not been increased since the Company's incorporation in 2017, the fees were increased as from 1 July 2024. The Directors now receive a fee of £40,000 per annum. The Chairman of the Audit Committee receives an additional sum of £5,600 per annum and the Chairman now receives £57,000 per annum.

Individually and collectively, the Directors of the Company hold no shares of the Company as at 30 June 2024 (30 June 2023: Nil and 31 December 2023: 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 Company'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 Company's financial instruments mainly comprise an investment in a STC. In addition, the Company 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 Company'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 Company 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 Condensed Statement of Financial Position:

As at 30 June 2024

	Less than 1 month	1 - 12 months	Total
	£	£	£
Trade and other payables	-	87,944	87,944
	-	**87,944**	**87,944**

As at 30 June 2023

	Less than 1 month	1 - 12 months	Total
	£	£	£
Trade and other payables	4,000	69,282	73,282
	4,000	**69,282**	**73,282**

As at 31 December 2023

	Less than 1 month	1 - 12 months	Total
	£	£	£
Trade and other payables	4,120	96,207	100,327

Trade and other payables	4,120	96,207	100,327
	4,120	**96,207**	**100,327**

Credit risk

The Company 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 Company depositing cash and cash equivalents across several banks. The Company is exposed to credit risk in respect of its trade receivables and other receivable balances with a maximum exposure equal to the carrying value of those assets. The Bank of New York Mellon currently has a stand-alone credit rating of AA- with Standard & Poor's (31 December 2023: AA- with Standard & Poor's), Royal Bank of Scotland International has a stand-alone credit rating of AA- with Standard & Poor's (31 December 2023: A- with Standard & Poor's) whilst Barclays Bank PLC has a standalone credit rating of A+ with Standard & Poor's (31 December 2023: A+ with Standard & Poor's). The Company considers these ratings to be acceptable.

Market price risk

Market price risk arises as a result of the Company'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 Company may suffer through investing in the STC.

As at 30 June 2024, the share price of Navient and the Company were 14.56 US dollars per share and 47.80 pence per share, respectively, which produced the Company's NAV of £ 454.8 million. At 30 June 2024 a 10% increase/decrease in the share prices of Navient and the Company would increase/decrease the Company's NAV by approximately £ 42.2 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 Company's monetary and non-monetary foreign exchange exposure on a regular basis. The Company 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 Company this is considered as part of market price risk.

Interest rate risk

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

As at 30 June 2024	**Interest bearing**				
	Less than 1 month	**1 month to 3 months**	**3 months to 1 year**	**Non-interest bearing**	**Total**
	£	**£**	**£**	**£**	**£**
Assets					
Cash and cash equivalents	674,929	-	-	-	674,929
Financial assets at fair value through profit or loss	-	-	-	454,130,975	454,130,975
Prepaid expenses	-	-	-	48,982	48,982
Total Assets	674,929	-	-	454,179,957	454,854,886
Liabilities					
Other payables	-	-	-	87,944	87,944
Total Liabilities	**-**	**-**	**-**	**87,944**	**87,944**

As at 30 June 2023	**Interest bearing**				
	Less than 1 month	**1 month to 3 months**	**3 months to 1 year**	**Non- interest bearing**	**Total**
	£	**£**	**£**	**£**	**£**
Assets					
Cash and cash equivalents	1,552,623	-	-	-	1,552,623
Financial assets at fair value through profit or loss	-	-	-	570,573,724	570,573,724
Prepaid expenses	-	-	-	50,933	50,933
Total Assets	1,552,623	**-**	**-**	**570,624,657**	**572,177,280**
Liabilities					
Other payables	-	-	-	73,282	73,282
Total Liabilities	**-**	**-**	**-**	**149,329**	**149,329**

As at 31 December 2023	**Interest bearing**				
	Less than 1 month	**1 month to 3 months**	**3 months to 1 year**	**Non- interest bearing**	**Total**
	£	**£**	**£**	**£**	**£**
Assets					
Cash and cash equivalents	816,593	-	-	-	816,593
Financial assets at fair value through profit or loss	-	-	-	565,515,552	565,515,552
Total Assets	**816,593**	**-**	**-**	**565,515,552**	**566,332,145**
Liabilities					
Other payables	-	-	-	100,327	100,327
Total Liabilities	**-**	**-**	**-**	**100,327**	**100,327**

As at 30 June 2024, the total interest sensitivity gap for interest bearing items was a surplus of £674,929 (30 June 2023: surplus of £1,665,200 and 31 December 2023: surplus of £816,593).

As at 30 June 2024, interest rates reported by the Bank of England were 5.25% (30 June 2023: 5.0% and 31 December 2023: 5.25%) which would equate to net income of £35,434 (period ended 30 June 2023: £83,269 and year ended 31 December 2023: £42,871) per annum if interest bearing assets remained constant. If interest rates were to fluctuate by 100 basis points (period ended 30 June 2023: 100 basis points and year ended 31 December 2023: 100 basis points), this would have a positive or negative effect of £6,749 (period ended 30 June 2023 a positive or negative effect of £16,654 and year ended 31 December 2023: a positive or negative effect of £8,166) on the Company's annual income.

Capital risk management

The capital structure of the Company consists of proceeds raised from the issue of Ordinary Shares. As at 30 June 2024, the Company is not subject to any external capital requirement.

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

11. Distributions

11. Distributions

There were no distributions paid by the company to non-controlling interests during the period ended 30 June 2024. (period ended 30 June 2023: £103,982 and year ended 31 December 2023: £109,627). On 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 £3.5million, was paid on 6 October 2023 to shareholders on the register at 15 September 2023.

12. Subsequent events

The Company has declared a dividend of 0.5 pence per share, payable on 4 October 2024 to shareholders on the register at 13 September 2024.

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

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