SHERBORNE INVESTORS (GUERNSEY) B LIMITED

Interim Report and Unaudited Condensed Consolidated Financial Statements
For the period from 1 January 2021 to 30 June 2021

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The Company and its Advisers

Directors
Mr Talmai Morgan *(Non-executive Chairman)*
Mr Trevor Ash *(Non-executive Director)*
Mr Christopher Legge *(Non-executive Director)*

(all care of the registered office)

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St Peter Port
Guernsey, GY1 2HL

Registered Number 55835

Investment Manager
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New York, NY 10022

Independent Auditor
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Carey House
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Registrar
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Administrator, Designated Manager and Company Secretary
Apex Fund and Corporate Services (Guernsey) Limited
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Guernsey, GY1 2HL

Investment Partnership
SIGB, LP
1 Royal Plaza, Royal Avenue
St Peter Port
Guernsey, GY1 2HL

General Partner to the Investment Partnership
Sherborne Investors (Guernsey) GP, LLC
135 East 57th Street
New York, NY 10022

Custodian to the Investment Partnership
UBS Financial Services Inc.
299 Park Avenue
New York, NY 10171

Company Website:
www.sherborneinvestorsguernseyb.com

Company Summary

The Company

Sherborne Investors (Guernsey) B Limited (the "Company") is a Guernsey domiciled limited liability company and its shares are admitted to trading on the London Stock Exchange's Specialist Fund Segment ("SFS"). The Company was incorporated on 8 November 2012. The Company commenced dealings on the SFS on 7 May 2013. As disclosed on 18 June 2021, following the distribution in specie, the Company intends to commence liquidation proceedings which will culminate in a final distribution to shareholders of any residual assets, the delisting of the Company's shares and the dissolution of the Company.

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 through its investment in SIGB, LP (the "Investment Partnership") 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 (Guernsey) GP, LLC (the "General Partner") and the Investment Partnership have appointed Sherborne Investors Management (Guernsey) LLC (the "Investment Manager") to provide investment management services to the Investment Partnership.

Chairman's Statement

For the period ended 30 June 2021

Dear Shareholder,

I am pleased to present the Interim Report of Sherborne Investors (Guernsey) B Limited (the "Company") for the period 1 January 2021 to 30 June 2021. During the period the Company pursued its investment strategy through its shareholding in Electra Private Equity PLC ("Electra").

On 21 May 2021 Electra reconfirmed its intention to complete the realisation of its remaining investments by the end of 2021 by way of a demerger of its largest asset, TGI Fridays, and the reclassification of Electra into an operating company substantially comprised of its second largest asset, Hotter Shoes.

On 21 June 2021 the Company declared a dividend in specie of 8,250,575 shares of Electra payable on 30 June 2021 to shareholders on record as at 24 June 2021. As a result, at the period end the Company held no shares in Electra.

In accordance with the Company's policy upon the disposition of a "Turnaround Investment", the Company has commenced liquidation proceedings which will culminate in a final distribution to shareholders of any residual assets, the delisting of the Company's shares, and the dissolution of the Company.

As at 30 June 2021, the net asset value ("NAV") attributable to shareholders of the Company was £0.76 million (30 June 2020: £17.5 million and 31 December 2020: £24.6 million) or 0.24 pence per share (30 June 2020: 5.56 pence per share and 31 December 2020: 7.81 pence per share). The Company's NAV at 30 June 2021 does not include remaining wind-down or liquidation costs unless contracted at 30 June 2021. Any residual NAV, which is expected to be de minimis, will be distributed to shareholders.

Since 1 October 2016 Electra has distributed cumulative dividends of approximately £2.0 billion. Following these dividends, Electra's remaining market capitalisation is approximately £230 million.

I am very pleased to report that the Company's investment in Electra produced a gross return exceeding 2.0x, equal to an approximately 24% IRR. Electra represents the fifth consecutive investment in the United Kingdom for which the Investment Manager has doubled investors' capital when engaged in an active turnaround investment.

The Company has decided to continue preparing the financial statements for the period ended 30 June 2021 on a basis other than that of a going concern, consistent with the financial statements for the year ended 31 December 2020. This adoption has no bearing on the financial condition or operations of the Company, but more accurately reflects that the Company will soon be dissolved, in line with the Company's strategy.

The Company is presently in the process of preparing for a voluntary liquidation, delisting, and dissolution and will update the market as events require. It is presently expected that a General Meeting of shareholders will occur in September for shareholders to vote on the winding up of the Company.

The Company's principal risks and uncertainties have historically related to the Company's investment activities which includes performance risk, market risk, relationship risk and operational risk. Considering the Company's decision to enter voluntary liquidation after the disposal of the investment in Electra, the remaining principal risks and uncertainties faced by the Company are only relationship risk and operational risk. The nature of these risks remains unchanged and further details may be found in the Directors' Strategic Report within the Annual Report and Audited Consolidated Financial Statements of the Company for the year ended 31 December 2020. The Directors will continue to assess the principal risks and uncertainties relating to the Company for the duration of the wind up period which are expected to remain unchanged.

Details of related party transactions during the period are included in Note 10 of the Condensed Consolidated Financial Statements.

We are grateful for your continued support over the life of this investment.

Yours sincerely,

Talmai Morgan
Chairman
19 August 2021

Statement of Directors' Responsibilities

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 by 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); and

- 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 4.2.10R.

Going Concern

In addition to making enquiries of the Investment Manager and Administrator, the Directors have undertaken a rigorous review of the Company's cash flows and the level of cash balances as at the reporting date as well as taking forecasts of future cash flows and the fact that the Company will soon liquidate, in line with the Company's strategy.

The Company commenced liquidation proceedings which will culminate in a final distribution to shareholders of any residual assets, the delisting of the Company's shares and the dissolution of the Company. Accordingly, and consistent with the 31 December 2020 financial statements, the Condensed Consolidated Financial Statements for the period ended 30 June 2021 have been prepared on a basis other than that of a going concern. This has no impact on the reported results for the year and there have been no changes to the basis of recognition.

By order of the Board
For Sherborne Investors (Guernsey) B Limited

Talmai Morgan
Chairman
19 August 2021

Independent Auditor's Review Report to the Members of Sherborne Investors (Guernsey) B Limited

We have been engaged by Sherborne Investors (Guernsey) B Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and related notes 1 to 13. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Emphasis of Matter – financial statements prepared other than on a going concern basis

We draw attention to Note 1 in the condensed consolidated financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our conclusion is not modified in respect of this matter.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
St Peter Port, Guernsey, Channel Islands
19 August 2021

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the period from 1 January 2021 to 30 June 2021

	Notes	1 January 2021 to 30 June 2021 (unaudited) £	£	1 January 2020 to 30 June 2020 (unaudited) £	£	1 January 2020 to 31 December 2020 (audited) £	£
Income	**1(e)**						
Movement in unrealised gain/(loss) on financial assets at fair value through profit or loss	**1(d), 5**		289,844,214		(22,920,788)		(12,647,925)
Realised loss on financial assets at fair value through profit or loss			(250,575,209)		-		-
Bank interest income			7		281		281
Total income/(loss)			**39,269,012**		**(22,920,507)**		**(12,647,644)**
Expenses	**1(f)**						
Management fees	**10**	229,165		157,544		269,908	
Administrative fees		63,226		73,038		141,808	
Directors' fees	**2,10**	62,500		62,500		125,000	
Other fees		43,674		66,223		109,955	
Professional fees		40,433		47,240		71,594	
Total operating expenses			**438,998**		**406,545**		**718,265**
Total comprehensive income/(loss)			**38,830,014**		**(23,327,052)**		**(13,365,909)**
Total comprehensive income/(loss) attributable to:							
Equity Shareholders			**27,512,898**		**(16,829,218)**		**(9,757,957)**
Non-controlling interest (NCI)	**1(b)**		**11,317,116**		**(6,497,834)**		**(3,607,952)**
Weighted average number of shares outstanding	**4**		**314,547,259**		**314,547,259**		**314,547,259**
Basic and diluted earnings per share attributable to shareholders (excluding NCI)	**4**		**8.75p**		**(5.35)p**		**(3.10)p**

All revenue and expenses are derived from discontinued operations.

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 Consolidated Financial Statements.

Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 June 2021

	Notes	30 June 2021 (unaudited) £	£	30 June 2020 (unaudited) £	£	31 December 2020 (audited) £	£
Non-Current Assets							
Financial assets at fair value through profit or loss	**1(d), 5**		-		21,890,639		32,163,502
			-		**21,890,639**		**32,163,502**
Current Assets							
Prepaid expenses		24,588		16,931		30,485	
Cash and cash equivalents	**1(h)**	830,967		1,003,800		654,010	
		855,555		**1,020,731**		**684,495**	
Current Liabilities							
Trade and other payables	**6**	63,143		93,981		69,467	
		63,143		**93,981**		**69,467**	
Net Current Assets			**792,412**		**926,750**		**615,030**
Net Assets			**792,412**		**22,817,389**		**32,778,532**
Capital and Reserves							
Called up share capital and share premium	**7**		302,696,145		302,696,145		302,696,145
Retained reserves			(301,936,905)		(285,202,655)		(278,131,394)
Equity attributable to the Company			759,240		17,493,490		24,564,751
Non-controlling interest (NCI)	**1(b), 10**		33,172		5,323,899		8,213,781
Total Equity			**792,412**		**22,817,389**		**32,778,532**
NAV Per Share (excluding NCI)	**8**		**0.24p**		**5.56p**		**7.81p**

The Condensed Consolidated Financial Statements were approved by the Board of Directors for issue on 19 August 2021.

Signed on behalf of the Board:

Director Director

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

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

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the period from 1 January 2021 to 30 June 2021

	Notes	Share Capital and Share Premium £	Retained Reserves £	Non-Controlling Interest £	Total Equity £
Balance at 1 January 2021		**302,696,145**	**(278,131,394)**	**8,213,781**	**32,778,532**
Comprehensive income		-	37,064,887	1,765,127	38,830,014
Incentive allocation	**1(l),10**	-	(9,551,989)	9,551,989	-
Distribution	**9**	-	-	(19,497,725)	(19,497,725)
Dividend in specie	**9**	-	(51,318,409)	-	(51,318,409)
Balance at 30 June 2021		**302,696,145**	**(301,936,905)**	**33,172**	**792,412**

	Notes	Share Capital and Share Premium £	Retained Reserves £	Non-Controlling Interest £	Total Equity £
Balance at 1 January 2020		**302,696,145**	**(268,373,437)**	**12,626,696**	**46,949,404**
Comprehensive loss		-	(22,296,360)	(1,030,692)	(23,327,052)
Incentive allocation	**1(l),10**	-	5,467,142	(5,467,142)	-
Distribution	**9**	-	-	(804,963)	(804,963)
Balance at 30 June 2020		**302,696,145**	**(285,202,655)**	**5,323,899**	**22,817,389**

	Notes	Share Capital and Share Premium £	Retained Reserves £	Non-Controlling Interest £	Total Equity £
Balance at 1 January 2020		**302,696,145**	**(268,373,437)**	**12,626,696**	**46,949,404**
Comprehensive loss		-	(12,784,701)	(581,208)	(13,365,909)
Incentive allocation	**1(l),10**	-	3,026,744	(3,026,744)	-
Distribution	**9**	-	-	(804,963)	(804,963)
Balance at 31 December 2020 (audited)		**302,696,145**	**(278,131,394)**	**8,213,781**	**32,778,532**

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 Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows (Unaudited)

For the period from 1 January 2021 to 30 June 2021

	Notes	1 January 2021 to 30 June 2021 £	1 January 2020 to 30 June 2020 £	1 January 2020 to 31 December 2020 (audited) £
Net cash flow from/(used in) operating activities See below		**(439,423)**	**3,156,176**	**2,806,386**
Investing activities				
Disposal of investment		616,373	-	-
Bank interest income		7	281	281
Net cash flow from investing activities		**616,380**	**281**	**281**
Financing activities				
Dividend paid	**9, 12**	-	(2,044,557)	(2,044,557)
Distributions to Non-controlling interest	**9, 12**	-	(804,963)	(804,963)
Net cash flow used in financing activities		**-**	**(2,849,520)**	**(2,849,520)**
Net movement in cash and cash equivalents		176,957	306,937	(42,853)
Opening cash and cash equivalents		654,010	696,863	696,863
Closing cash and cash equivalents		**830,967**	**1,003,800**	**654,010**

Net cash flow from/(used in) operating activities				
Comprehensive income/(loss)		38,830,014	(23,327,052)	(13,365,909)
Realised loss on financial assets at fair value through profit or loss		250,575,209	-	-
Unrealised (gain)/loss on financial assets at fair value through profit or loss	**5**	(289,844,214)	22,920,788	12,647,925
Movement in prepaid expenses		5,897	5,869	(7,685)
Movement in trade and other payables	**6**	(6,322)	8,565	(15,951)
Bank interest income		(7)	(281)	(281)
Dividend receipt		-	3,548,287	3,548,287
Net cash flow from/(used in) operating activities		**(439,423)**	**3,156,176**	**2,806,386**

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 Consolidated Financial Statements.

For the period from 1 January 2021 to 30 June 2021

1. Summary of significant accounting policies

Reporting entity

Sherborne Investors (Guernsey) B 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 8 November 2012. The Company commenced dealings on the London Stock Exchange's AIM market on 29 November 2012 and moved from AIM to the London Stock Exchange's Specialist Fund Segment ("SFS") on 7 May 2013. The Company's registered office is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL. The "Group" is defined as the Company and its subsidiary, SIGB, LP (the "Investment Partnership").

Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union. The financial information for the year ended 31 December 2020, as included in this Interim Report, is derived from the financial statements delivered to the Listing Authority and does not constitute statutory accounts as defined by the Companies (Guernsey) Law, 2008 (as amended). The Auditor reported in the statutory financial statements for the year ended 31 December 2020: their report was unqualified; drew attention to going concern by way of emphasis; and did not contain a statement under Section 263(2) or 263(3) of the Companies (Guernsey) Law, 2008 (as amended).

The Condensed Consolidated Financial Statements of the Group 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 Condensed Consolidated Financial Statements for the period.

These Condensed Consolidated 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

During the period the Group disposed of its investment in Electra Private Equity plc ("Electra") and at the period end the Group held no shares of Electra. The Company commenced liquidation proceedings which will culminate in a final distribution to shareholders of any residual assets, the delisting of the Company's shares and the dissolution of the Company. Accordingly and consistent with the 31 December 2020 financial statements, the Condensed Consolidated Financial Statements for the period ended 30 June 2021 have been prepared on a basis other than that of a going concern. This has no impact on the reported results for the year and there have been no changes to the basis of recognition.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Group's Condensed 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 Condensed Consolidated Financial Statements and revenue and expenses during the reported period. Actual results could differ from those estimated.

There are no critical accounting judgements or significant estimates utilised for the preparation of the Group's Condensed Consolidated Financial Statements as at 30 June 2021 due to the nature of the activities that have occurred in this period, together with the sole investment held by the Group in previous periods prior to the distribution in specie (see note 9), being quoted on the London Stock Exchange. Fair value of financial assets held through profit or loss is therefore based on the quoted closing bid price at the respective period end.

Adoption of new and revised standards

(i) New standards adopted as at 1 January 2021:

All new standards effective from 1 January 2021 have been adopted and do not have a material impact on the financial statements.

For the period from 1 January 2021 to 30 June 2021

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

(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:

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 Condensed Consolidated Financial Statements incorporate the financial statements of the Company and an entity controlled by the Company, SIGB, LP (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Non-controlling interests in the net assets of the consolidated subsidiary 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 subsidiary's equity are allocated against their interests to the extent that this would create a negative balance.

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.

The Company owns 95.55% (2020: 95.55%) of the capital interest in the Investment Partnership. Whilst the General Partner of the Investment Partnership, a company registered in Delaware, USA, is responsible for directing the day to day operations of the Investment Partnership, the Company, through its majority interest in the Investment Partnership, has control and therefore the ability to approve the proposed investment of the Investment Partnership and to remove the general partner. Hence, the Company has consolidated the Investment Partnership in its financial statements.

b. Non-controlling interest

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

c. Functional currency

Items included in the Condensed Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Condensed 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 Condensed Consolidated Statement of Financial Position are retranslated into £ at the rate of exchange ruling at that date. Exchange differences are reported in the Condensed Consolidated Statement of Comprehensive Income.

d. Financial assets at fair value through profit or loss

Investments are designated as 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. Despite the large holding, under International Accounting Standard 28 'Investments in Associates', the fund held the investment in Electra shares at fair value through profit or loss rather than as an associate as the Investment Partnership is a closed-ended fund.

For the period from 1 January 2021 to 30 June 2021

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

Investments in voting shares 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 are taken directly to the Condensed Consolidated Statement of Comprehensive Income.

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 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 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 investments held by the Group during the period were classified as meeting the definition of Level I (period ended 30 June 2020: Level I and year ended 31 December 2020: Level I). On disposal of shares, cost of investments are allocated on a first in, first out basis. There are no investments held by the Group at the period end.

e. Revenue recognition

Dividend income is recognised when the Group's right to receive payment has been established. Tax suffered on dividend income for which no relief is available is treated as an expense.

Interest receivable from short-term deposits and investment income 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 Consolidated 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, remeasured at amortised cost using the effective interest method. A provision for impairment of 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 as well as 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 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, where necessary, re-measured at amortised cost using the effective interest method.

For the period from 1 January 2021 to 30 June 2021

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

j. Segmental reporting

As the Group invested 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'.

k. Incentive allocation

The incentive allocation is accounted for on an accruals basis and the calculation is disclosed in Note 11. The incentive allocation is payable to the non-controlling interest and therefore recognised in the Condensed Consolidated Statement of Changes in Equity rather than recognised as an expense in the Condensed Consolidated Statement of Comprehensive Income.

l. Dividends to shareholders

Dividends are recognised in the Group's Condensed Consolidated Financial Statements in the period in which they are declared and approved by the Board of Directors.

2. Comprehensive income/(loss)

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

	1 January 2021 to 30 June 2021	1 January 2020 to 30 June 2020	1 January 2020 to 31 December 2020
	£	£	£
Directors' fees	62,500	62,500	125,000
Auditor's remuneration – Audit	-	15,977	33,740
Auditor's remuneration – Interim Review	15,330	14,600	15,330

In addition to the audit and half-yearly review related remuneration above a further £Nil was due to the Auditor in relation to tax compliance services (period ended 30 June 2020: £15,089 and year ended 31 December 2020: £18,805).

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) 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 will not itself be 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.

Dividend income is shown gross of any withholding tax.

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 314,547,259 (30 June 2020: 314,547,259 and 31 December 2020: 314,547,259) weighted average number of shares in issue. The earnings per share for the period ended 30 June 2021 amounted to 8.75 pence per share (period ended 30 June 2020: a deficit of 5.35 pence per share and year ended 31 December 2020: a deficit of 3.10 pence per share).

For the period from 1 January 2021 to 30 June 2021

5. Financial assets at fair value through profit or loss

	As at 30 June 2021 £	As at 30 June 2020 £	As at 31 December 2020 £
Opening fair value	32,163,502	44,811,427	44,811,427
Movement in unrealised gain/(loss) on financial assets at fair value through profit or loss	289,844,214	(22,920,788)	(12,647,925)
Disposal of financial assets at fair value through profit or loss	(322,007,716)	-	-
Closing fair value	**-**	**21,890,639**	**32,163,502**
Percentage holding of Electra	-	29.90%	29.90%

During the period the Group disposed of its investment in Electra and as at 30 June 2021 the Group did not hold any shares of Electra (30 June 2020: 11,446,086 and 31 December 2020: 11,446,086) which is a London Stock Exchange listed investment trust focused on private equity investments.

6. Trade and other payables

	As at 30 June 2021 £	As at 30 June 2020 £	As at 31 December 2020 £
Professional fees payable	16,207	26,845	17,346
Other payables	46,936	67,136	52,121
Total	**63,143**	**93,981**	**69,467**

7. Consolidated share capital and share premium

	As at 30 June 2021	As at 30 June 2020	As at 31 December 2020
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	314,547,259	314,547,259	314,547,259

	As at 30 June 2021	As at 30 June 2020	As at 31 December 2020
Share premium account	**£**	**£**	**£**
Share premium account upon issue	302,696,145	302,696,145	302,696,145
Closing balance	**302,696,145**	**302,696,145**	**302,696,145**

Each Ordinary Share has no par value with no right to fixed income.

For the period from 1 January 2021 to 30 June 2021

8. Net asset value per share attributable to the Company

	No. of Shares	Pence per Share
30 June 2021	314,547,259	0.24
30 June 2020	314,547,259	5.56
31 December 2020	314,547,259	7.81

9. Dividends and distributions

On 21 June 2021, a dividend in specie of 8,250,575 Electra shares was declared by the Company and paid on 30 June 2021 (less a nominal amount of fractional shares) to shareholders on record on 23 June 2021 which equated to £51,318,409 (period ended 30 June 2020: £Nil and year ended 31 December 2020: £Nil).

Total distributions paid by the Group to non-controlling interests during the period were £19,497,725 (period ended 30 June 2020: £804,963 and year ended 31 December 2020: £804,963). Distributions to non-controlling interests are made at the discretion of the general partner to the Investment Partnership.

10. Related party transactions

The Investment Partnership and its General Partner, Sherborne Investors (Guernsey) GP, LLC, have engaged Sherborne Investors Management (Guernsey) LLC to serve as Investment Manager who is responsible for identifying the STC, subject to approval by the Board of Directors of the Company, as well as day to day management activities of the Investment Partnership. The Investment Manager is entitled to receive from the Investment Partnership a monthly management fee equal to one-twelfth of 1% of the NAV of the Investment Partnership, less cash and cash equivalents and certain other adjustments. During the period, management fees of £229,165 (period ended 30 June 2020: £157,544 and year ended 31 December 2020: £269,908) had been paid by the Partnership. No balance was outstanding at the period end (period ended 30 June 2020: £Nil and year ended 31 December 2020: £Nil).

The sole member of Sherborne Investors (Guernsey) GP, LLC is Sherborne Investors LP (the non-controlling interest), which also serves as the Special Limited Partner of the Investment Partnership. The Special Limited Partner is entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership, of which one is the Company, exceed a certain level of capital contributions to the Investment Partnership, excluding amounts contributed attributable to management fees.

Sherborne Strategic Fund D, LLC (“SSFD”), an affiliate of the General Partner to the Investment Partnership, holds a 4.43% capital interest in the Investment Partnership. Management and incentive fees are assessed based on the capital interest of SSFD’s interest.

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.

At the period end, the incentive allocation has been computed based on a Turnaround investment and amounts to £26,652 (30 June 2020: £4,521,989 and 31 December 2020: £7,053,188) of which £949 (30 June 2020: £200,435 31 December 2020: £291,236) relates to SSFD. The amount paid in specie in the period was £16,932,668 (period ended 30 June 2020: £697,924 and year ended 31 December 2020: £697,924) of which £644,430 relates to SSFD (period ended 30 June 2020: £30,936 and year ended 31 December 2020: £30,936).

For the period from 1 January 2021 to 30 June 2021

10. Related party transactions (*continued)*

Incentive Allocation movement	SIGB Ltd	SSFD	Total
	£	£	£
Movement to 30 June 2021	9,551,989	354,143	9,906,132
Movement to 30 June 2020	(5,467,142)	(203,443)	(5,670,585)
Movement to 31 December 2020	(3,026,744)	(112,642)	(3,139,386)

Sherborne Investors LP, SSFD and the General Partner also earned their share of the Total Comprehensive Income for the period of £1,765,127 (period ended 30 June 2020: Total Comprehensive Loss of £1,030,692 and year ended 31 December 2019: Total Comprehensive Loss of £581,208).

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 in the Company as at 30 June 2021 (30 June 2020: Nil and 31 December 2020: 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 £10,000 (2020: £10,000) per annum for the use of the licensed name.

11. 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 of 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 and are sufficient to cover the Group's obligations.

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

As at 30 June 2021	Less than 1 month	1 - 12 months	1 - 2 years	Total
	£	£	£	£
Trade and other payables	(31,606)	(31,537)	-	(63,143)
	(31,606)	**(31,537)**	**-**	**(63,143)**

As at 30 June 2020	Less than 1 month	1 - 12 months	1 - 2 years	Total
	£	£	£	£
Trade and other payables	(36,559)	(57,422)	-	(93,981)
	(36,559)	**(57,422)**	**-**	**(93,981)**

For the period from 1 January 2021 to 30 June 2021

11. Financial risk factors (*continued)*

As at 31 December 2020	Less than 1 month £	1 - 12 months £	1 - 2 years £	Total £
Trade and other payables	(31,880)	(37,587)	-	(69,467)
	(31,880)	**(37,587)**	**-**	**(69,467)**

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 Group depositing cash and cash equivalents across several banks. The Group 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. UBS Financial Services Inc. & HSBC Holdings PLC currently have a standalone credit rating of A-, whilst Barclays Bank PLC has a standalone credit rating of A with Standard & Poor's (30 June 2020: UBS Financial Services Inc. & HSBC Holdings PLC A- whilst Barclays Bank PLC A with Standard & Poor's and 31 December 2020: UBS Financial Services Inc. & HSBC Holdings PLC A- whilst Barclays Bank PLC A with Standard & Poor's).

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. It represents the potential loss that the Group may suffer through investing in the STC. During the period the Group disposed of its investment in the STC and so at the period end has no market price risk exposure.

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 foreign exchange risk exposure.

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 ongoing basis in order to maximise the interest rates obtained.

As at 30 June 2021	Interest bearing					
	Less than 1 month £	1 month to 3 months £	3 months to 1 year £	Over 1 year £	Non- interest bearing £	Total £
Assets						
Cash and cash equivalents	830,967	-	-	-	-	830,967
Prepaid expenses	-	-	-	-	24,588	24,588
Total Assets	**830,967**	**-**	**-**	**-**	**24,588**	**855,555**
Liabilities						
Other payables	-	-	-	-	63,143	63,143
Total Liabilities	**-**	-	**-**	**-**	**63,143**	**63,143**

For the period from 1 January 2021 to 30 June 2021

11. Financial risk factors (*continued)*

As at 30 June 2020	**Interest bearing**					
	Less than 1 month £	**1 month to 3 months £**	**3 months to 1 year £**	**Over 1 year £**	**Non- interest bearing £**	**Total £**
Assets						
Cash and cash equivalents	1,003,800	-	-	-	-	1,003,800
Financial assets at fair value through profit or loss	-	-	-	-	21,890,639	21,890,639
Prepaid expenses	-	-	-	-	16,931	16,931
Total Assets	**1,003,800**	**-**	**-**	**-**	**21,907,570**	**22,911,370**
Liabilities						
Other payables	-	-	-	-	93,981	93,981
Total Liabilities	-	-	**-**	**-**	**93,981**	**93,981**

Interest rate risk

As at 31 December 2020	**Interest bearing**					
	Less than 1 month £	**1 month to 3 months £**	**3 months to 1 year £**	**Over 1 year £**	**Non- interest bearing £**	**Total £**
Assets						
Cash and cash equivalents	654,010	-	-	-	-	654,010
Financial assets at fair value through profit or loss	-	-	-	-	32,163,502	32,163,502
Prepaid expenses	-	-	-	-	30,485	30,485
Total Assets	**654,010**	**-**	**-**	**-**	**32,193,987**	**32,847,997**
Liabilities						
Trade and other payables	-	-	-	-	(69,467)	(69,467)
Total Liabilities	**-**	**-**	**-**	**-**	**(69,467)**	**(69,467)**

As at 30 June 2021, the total interest sensitivity gap for interest bearing items was a surplus of £830,967 (30 June 2020: surplus of £1,003,800 and 31 December 2020: surplus of £654,010).

As at 30 June 2021, interest rates reported by the Bank of England were 0.10% which would equate to income of £831 (period ended 30 June 2020: interest rates were 0.10% which would equate to income of £1,004 and year ended 31 December 2020: interest rates were 0.01% which would equate to net income of £654) per annum if interest bearing assets remained constant. If interest rates were to fluctuate by 50 basis points, this would have a positive effect of £4,155 or negative effect of £831 (period ended 30 June 2020: positive effect of £5,019 or negative effect of £1,004 and year ended 31 December 2020: positive or negative effect of £3,270) on the Group's annual income.

For the period from 1 January 2021 to 30 June 2021

11. Financial risk factors (*continued)*

Capital risk management

The capital structure of the Company consists of proceeds raised from the issue of Ordinary Shares. As at 30 June 2021, the Group is not subject to any external capital requirement.

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

12. Reconciliation of financing activities

	Opening £	Cash flows £	Net income allocation £	Non-cash flows £	Closing £
1 January 2021 to 30 June 2021					
Retained reserves	(278,131,394)	-	27,512,898	(51,318,409)	(301,936,905)
Non-controlling interest (NCI)	8,213,781	-	11,317,116	(19,497,725)	33,172
Total	**(269,917,613)**	**-**	**38,830,014**	**(70,816,134)**	**(301,903,733)**
1 January 2020 to 30 June 2020					
Retained reserves	(268,373,437)	(2,044,557)	(16,829,218)	2,044,557	(285,202,655)
Non-controlling interest (NCI)	12,626,696	(804,963)	(6,497,834)	-	5,323,899
Total	**(255,746,741)**	**(2,849,520)**	**(23,327,052)**	**2,044,557**	**(279,878,756)**
1 January 2020 to 31 December 2020					
Retained reserves	(268,373,437)	(2,044,557)	(9,757,957)	2,044,557	(278,131,394)
Non-controlling interest (NCI)	12,626,696	(804,963)	(3,607,952)	-	8,213,781
Total	**(255,746,741)**	**(2,849,520)**	**(13,365,909)**	**2,044,557**	**(269,917,613)**

13. Subsequent events

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