SHERBORNE INVESTORS (GUERNSEY) C LIMITED

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

Contents

The Company and its Advisers

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

(all care of the registered office)

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

Registered Number 63600

Investment Manager
Sherborne Investors Management (Guernsey) LLC
135 East 57th Street
New York, NY 10022

Independent Auditor
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
Guernsey, GY1 3HW

Legal Advisers (as to English law)
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London, EC2A 2EG

Legal Advisers (as to Guernsey law)
Ogier
Redwood House
St Julian's Avenue
St Peter Port
Guernsey, GY1 1WA

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

Broker
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London, EC4M 7LT

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

Investment Partnership
SIGC, LP (Incorporated)
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, 8th Floor
New York, NY 10171

Company Website:
www.sherborneinvestorsguernseyc.com

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, through its investment in SIGC, LP (Incorporated) (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.

For the period ended 30 June 2021

Dear Shareholder,

I am pleased to present the Interim Report of Sherborne Investors (Guernsey) C Limited (the "Company") for the period 1 January 2021 to 30 June 2021.

During the majority of the period the Company pursued its investment strategy through its shareholding in Barclays PLC ("Barclays"). In May, SIGC, LP (Incorporated) and other third-party investors in funds (the "Funds") managed by affiliates of Sherborne Investors Management (Guernsey) LLC (the "Investment Manager") disposed of the Funds' entire 6.0% shareholding in Barclays. In accordance with the Company's prospectus, the Board of the Company approved a New Selected Target Company and the Investment Manager has informed the Board that the Funds have initiated purchases of securities in it.

The Investment Manager has advised the Board that it believes the New Selected Target Company represents a more attractive active turnaround investment opportunity than a continuing investment in Barclays at recent prices. The Investment Manager believes that an operating turnaround of the New Selected Target Company will increase shareholder value in line with the Investment Manager's customary return objectives. The Investment Manager intends to discuss with shareholders the investment thesis underlying its investment in the New Selected Target Company once the Funds have accumulated a disclosable shareholding.

As at 30 June 2021, the net asset value ("NAV") attributable to shareholders of the Company was £557.7 million (30 June 2020: £351.0 million and 31 December 2020: £421.5 million) or 79.67 pence per share (30 June 2020: 50.15 pence per share and 31 December 2020: 60.21 pence per share) (see Note 8). As at 17 August 2021, the NAV attributable to shareholders of the Company was approximately £571.3 million or 81.6 pence per share.

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 2020, 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 2020. 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 10 of the Condensed Consolidated Financial Statements.

The Company intends to continue to pursue its strategy as set out in its prospectus.

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

Yours sincerely,

Talmai Morgan
Chairman
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 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); 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

The Condensed Consolidated Financial Statements have been prepared on the going concern basis. The net current asset position as at 30 June 2021 is £6.4m. The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally thoughout 2021 and in the preceeding year. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The specific impact on the Company's performance attributable to the pandemic is difficult to quantify. At 30 June 2021 the Company had a NAV of £557.7 million. The Company, via the Funds, has sufficient liquid assets to meet expected costs. Sherborne Investors Management (Guernsey) LLC (the Investment Manager), affiliates of which are also the investment manager of the Funds (as defined in Note 5) has the full intent and ability to provide the Company (via the Investment Partnership) with funds as and if required. Therefore, after making enquiries and based on the sufficient cash reserves as at 30 June 2021, the Directors are of the opinion that the Group 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 Consolidated Financial Statements.

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

Talmai Morgan
Chairman
19 August 2021

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

We have been engaged by Sherborne Investors (Guernsey) C Limited (the "Company") together with its subsidiaries (the "Group") 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 Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim 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 to 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.

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)**						
Unrealised gain/(loss) on financial assets at fair value through profit or loss	**1(d), 5**		139,165,329		(192,993,896)		(120,607,066)
Interest income			157		1,194		1,194
Total income/(loss)			139,165,486		(192,992,702)		(120,605,872)
Expenses	**1(f)**						
Management fees	**9**	1,697,352		2,014,455		3,669,168	
Professional fees		152,482		120,433		246,404	
Directors' fees	**2, 9**	80,000		80,000		160,000	
Administrative fees		65,877		73,866		142,964	
Other fees		(83,385)		1,161		1,654	
Total operating expenses			1,912,326		2,289,915		4,220,190
Comprehensive income/(loss)			**137,253,160**		**(195,282,617)**		**(124,826,062)**
Comprehensive income/(loss) attributable to:							
Equity Shareholders			**137,225,328**		**(195,244,021)**		**(124,801,928)**
Non-controlling interest (NCI)	**1(b)**		**27,832**		**(38,596)**		**(24,134)**
Weighted average number of shares outstanding	**4**		**700,000,000**		**700,000,000**		**700,000,000**
Basic and diluted earnings per share attributable to shareholders (excluding NCI)	**4**		**19.60p**		**(27.89)p**		**(17.83)p**

All revenue and expenses are derived from continuing 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**		552,449,985		346,926,656		419,313,486
			552,449,985		**346,926,656**		**419,313,486**
Current Assets							
Cash and cash equivalents	**1(h)**	6,403,075		4,248,227		2,312,076	
Prepaid expenses		67,308		44,162		21,757	
		6,470,383		**4,292,389**		**2,333,833**	
Current Liabilities							
Trade and other payables	**1(i), 6**	98,245		106,339		78,058	
		98,245		**106,339**		**78,058**	
Net Current Assets			**6,372,138**		**4,186,050**		**2,255,775**
Net Assets			**558,822,123**		**351,112,706**		**421,569,261**
Capital and Reserves							
Called up share capital and share premium	**7**		688,939,403		688,939,403		688,939,403
Retained reserves			(131,246,388)		(337,898,824)		(267,456,731)
Equity attributable to the Company			557,693,015		351,040,579		421,482,672
Non-controlling interest (NCI)	**1(b)**		1,129,108		72,127		86,589
Total Equity			**558,822,123**		**351,112,706**		**421,569,261**
NAV Per Share (excluding NCI)	**8**		**79.67p**		**50.15p**		**60.21p**

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		**688,939,403**	**(267,456,731)**	**86,589**	**421,569,261**
Comprehensive income		-	137,225,328	27,832	137,253,160
Incentive allocation	9	-	(1,014,985)	1,014,985	-
Contributions		-	-	109,422	109,422
Distributions				(109,720)	(109,720)
Balance at 30 June 2021		**688,939,403**	**(131,246,388)**	**1,129,108**	**558,822,123**

	Share Capital and Share Premium £	Retained Reserves £	Non-Controlling Interest £	Total Equity £
Balance at 1 January 2020	**688,939,403**	**(142,654,803)**	**110,123**	**546,394,723**
Comprehensive loss	-	(195,244,021)	(38,596)	(195,282,617)
Contributions	-	-	600	600
Balance at 30 June 2020	**688,939,403**	**(337,898,824)**	**72,127**	**351,112,706**

	Share Capital and Share Premium £	Retained Reserves £	Non-Controlling Interest £	Total Equity £
Balance at 1 January 2020	**688,939,403**	**(142,654,803)**	**110,123**	**546,394,723**
Comprehensive loss	-	(124,801,928)	(24,134)	(124,826,062)
Contributions	-	-	600	600
Balance at 31 December 2020	**688,939,403**	**(267,456,731)**	**86,589**	**421,569,261**

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 used in operating activities	**See below**	**(1,937,690)**	**(2,341,827)**	**(4,277,978)**
Investing activities				
Contribution to investments	5	(543,574,886)	(4,849,515)	(4,849,515)
Distributions from investments	5	549,603,716	2,749,725	2,749,725
Interest income		157	1,194	1,194
Net cash flow from/(used in) investing activities		**6,028,987**	**(2,098,596)**	**(2,098,596)**
Financing activities				
Contributions from non-controlling interest		109,422	600	600
Distributions to non-controlling interest		(109,720)	-	-
Net cash flow from/(used in) financing activities		**(298)**	**600**	**600**
Net movement in cash and cash equivalents		4,090,999	(4,439,823)	(6,375,974)
Opening cash and cash equivalents		2,312,076	8,688,050	8,688,050
Closing cash and cash equivalents		**6,403,075**	**4,248,227**	**2,312,076**

Net cash flow from/(used in) operating activities				
Comprehensive income/(loss)		137,253,160	(195,282,617)	(124,826,062)
Unrealised (gain)/loss on financial assets at fair value through profit or loss	5	(139,165,329)	192,993,896	120,607,066
Movement in prepaid expenses		(45,551)	(26,938)	(4,533)
Movement in trade and other payables	6	20,187	(24,974)	(53,255)
Interest income		(157)	(1,194)	(1,194)
Net cash flow used in operating activities		**(1,937,690)**	**(2,341,827)**	**(4,277,978)**

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) 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 commenced dealings on the London Stock Exchange's Specialist Fund Segment on 12 July 2017. 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 subsidiaries, SIGC, LP (the "Investment Partnership") and SIGC Midco Limited.

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; did not draw 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

The Condensed Consolidated Financial Statements have been prepared on the going concern basis. The net current asset position as at 30 June 2021 is £6.4m. The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally thoughout 2021 and in the preceeding year. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The specific impact on the Company's performance attributable to the pandemic is difficult to quantify. At 30 June 2021 the Company had a NAV of £557.7 million. The Company, via the funds (the "Funds") managed by affiliates of Sherborne Investors Management (Guernsey) LLC (the "Investment Manager"), has sufficient liquid assets to meet expected costs. The Investment Manager, affiliates of which are also the investment manager of the Funds (as defined in note 5) has the full intent and ability to provide the Company (via the Investment Partnership) with funds as and if required. Therefore, after making enquiries and based on the sufficient cash reserves as at 30 June 2021, the Directors are of the opinion that the Group 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 Consolidated Financial Statements.

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.

For the period from 1 January 2021 to 30 June 2021

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

Critical accounting judgments and key sources of estimation uncertainty *(continued)*

i) Critical accounting judgement: Incentive allocation

As more fully described in Note 9, the Special Limited Partner is entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership exceed a certain level. 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 of 30 June 2021 the Group holds a non-controlling interest in Whistle Investors III LLC ("Whistle III"). Whilst the Group holds a majority interest in Whistle III 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, Whistle III is not considered a subsidiary and is not consolidated but held at fair value through profit or loss.

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

The Group's investments are measured at fair value for financial reporting purposes. Fair value of financial assets are based on the net asset value ("NAV") of the investment. The main contribution to their NAV is the quoted closing price of the STC at 30 June 2021. Please see Note 5 for further details.

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.

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

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

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.

For the period from 1 January 2021 to 30 June 2021

1. Summary of significant accounting policies (continued)

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

The Company, via SIGC Midco Limited, a 100% owned subsidiary, owns 99.98% 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 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 and SIGC Midco Limited in its financial statements.

b. Non-controlling interest

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

c. Functional currency

Items included in the Condensed Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates. 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, including equity investments in associates, 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. 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 Consolidated Statement of Comprehensive Income.

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

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

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

For the period from 1 January 2021 to 30 June 2021

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

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.

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 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, 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 Group will not be able to collect all amounts due according to the original terms of the receivables. The Group only holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and has therefore applied the simplified approach to expected credit loss.

h. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the 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.

j. Financial instruments

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

k. Segmental reporting

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

l. Incentive allocation

The incentive allocation is accounted for on an accruals basis and the calculation is disclosed in Note 9. 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.

For the period from 1 January 2021 to 30 June 2021

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	80,000	80,000	160,000
Auditor's remuneration – Audit	13,500	17,021	42,259
Auditor's remuneration – Interim review	21,900	21,900	23,000

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: £15,702 and year ended 31 December 2020: £28,542).

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 700,000,000 weighted average number of shares in issue during the period (30 June 2020: 700,000,000 and 31 December 2020: 700,000,000). The earnings per share for the period ended 30 June 2021 amounted to 19.60 pence per share (period ended 30 June 2020: a deficit of 27.89 pence per share and year ended 31 December 2020: deficit of 17.83 pence per share).

Date	Shares	Days in issue	Weighted Average Shares
1 January 2021	700,000,000		700,000,000
30 June 2021	700,000,000	181	700,000,000

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	419,313,486	537,820,762	537,820,762
Contribution to investments	543,574,886	4,849,515	4,849,515
Distributions from investments	(549,603,716)	(2,749,725)	(2,749,725)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	139,165,329	(192,993,896)	(120,607,066)
Closing fair value	**552,449,985**	**346,926,656**	**419,313,486**

For the period from 1 January 2021 to 30 June 2021

5. Financial assets at fair value through profit or loss (*continued*)

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

30 June 2021	Level I £	Level II £	Level III £	Total £
Financial assets at fair value through profit and loss	-	-	552,449,985	552,449,985

30 June 2020	Level I £	Level II £	Level III £	Total £
Financial assets at fair value through profit and loss	-	-	346,926,656	346,926,656

31 December 2020	Level I £	Level II £	Level III £	Total £
Financial assets at fair value through profit and loss	-	-	419,313,486	419,313,486

During the majority of the period the Company pursued its investment strategy through its shareholding in Barclays PLC ("Barclays"). In May 2021, the Investment Partnership and other third-party investors in the Funds managed by affiliates of the Investment Manager disposed of the Funds' entire shareholding in Barclays. In accordance with the Company's prospectus, the Board of the Company approved a new STC and the Investment Manager has informed the Company that the Funds have initiated purchases of securities in it. The Fund has not yet accumulated a disclosable shareholding in the new STC.

As at 30 June 2021, the Group's investment consists solely of a non-controlling interest in Whistle Investors III LLC ("Whistle III") which was organised to invest in the STC, via other intermediaries. Furthermore, the Level III investments disclosed in the financial statements are solely comprised of the Group's non-controlling interest in Whistle III. As at the period end, Whistle III's investment, via intermediaries, consisted of its investment in the STC.

As at 31 December 2020, Whistle III's investment, via an intermediary, consisted of a direct investment in Barclays as well as a non-controlling interest in Whistle Investors LLC ("Whistle I") and Whistle Investors II LLC ("Whistle II"). The value of those investments equated to the Group's maximum exposure to loss from the Whistle I, Whistle II and Whistle III entities.

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

	As at 30 June 2021 £	As at 30 June 2020 £	As at 31 December 2020 £
Opening fair value	419,313,486	537,820,762	537,820,762
Contribution to investments	543,574,886	4,849,515	4,849,515
Distributions from investments	(549,603,716)	(2,749,725)	(2,749,725)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	139,165,329	(192,993,896)	(120,607,066)
Closing fair value	**552,449,985**	**346,926,656**	**419,313,486**

Capital contributions made during the period ended 30 June 2021 were for investment into the new STC. Capital distributions made during the period ended 30 June 2021 were to distribute proceeds from the disposal of the Barclays investment. Capital contributions drawn by Whistle III during 2020 were for investment into Barclays. The distributions during 2020 consisted of the return of excess funds drawn.

The key unobservable inputs in the valuation of the Level III investment is the value of Whistle III's indirect non-controlling interests in the underlying intermediaries which is impacted by the share price of the STC. With Whistle III's balance sheet being measured at fair value, the NAV of Whistle III provides the best estimate of fair value for the Investment Partnership's investment in Whistle III.

For the period from 1 January 2021 to 30 June 2021

6. Trade and other payables

	As at 30 June 2021 £	As at 30 June 2020 £	As at 31 December 2020 £
Professional fees payable	18,001	24,635	18,923
Administration fees payable	31,605	36,782	31,876
Audit fees payable	48,639	44,922	27,259
Total	**98,245**	**106,339**	**78,058**

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	700,000,000	700,000,000	700,000,000

	As at 30 June 2021	As at 30 June 2020	As at 31 December 2020
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**

8. Net asset value per share attributable to the Company

	No. of Shares	Pence per Share
30 June 2021	700,000,000	79.67
30 June 2020	700,000,000	50.15
31 December 2020	700,000,000	60.21

9. Related party transactions

The Investment Partnership and its General Partner, 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 net asset value of the Investment Partnership, less cash and cash equivalents and certain other adjustments. During the period, management fees of £1,697,352 (period ended 30 June 2020: £2,014,455 and year ended 31 December 2020: £3,669,168) had been paid by the Investment Partnership. No balance was outstanding at the period end (period ended 30 June 2020: £Nil and year ended 31 December 2020: £Nil).

The Special Limited Partner interest was held by Sherborne Investors Limited, a wholly owned subsidiary of Sherborne Investors LP through 11 May 2021. Effective on 12 May 2021 the Special Limited Partner interest was transferred from Sherborne Investors Limited to Sherborne Investors LP (Sherborne Investors (Guernsey) GP, LLC and Sherborne Investors LP are the Non-controlling interests). 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.

For the period from 1 January 2021 to 30 June 2021

9. Related party transactions (*continued*)

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

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

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

At 30 June 2021, the incentive allocation has been computed based on a Stake Building Investment basis and amounts to £1,014,985 (30 June 2020: £Nil and 31 December 2020: £Nil) in relation to the investment held by the Investment Partnership.

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

Individually and collectively, the Directors of the Company hold no shares of the Company as at 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 £70,000 per annum for the use of the licenced name.

10. Financial risk factors

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

Liquidity risk

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

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

For the period from 1 January 2021 to 30 June 2021

10. Financial risk factors (*continued*)

Liquidity risk (continued)

As at 30 June 2021	Less than 1 month £	1 - 12 months £	Total £
Trade and other payables	31,605	66,640	98,245
	31,605	**66,640**	**98,245**

As at 30 June 2020	Less than 1 month £	1 - 12 months £	Total £
Trade and other payables	(36,782)	(69,557)	(106,339)
	(36,782)	**(69,557)**	**(106,339)**

As at 31 December 2020	Less than 1 month £	1 - 12 months £	Total £
Trade and other payables	(31,876)	(46,182)	(78,058)
	(31,876)	**(46,182)**	**(78,058)**

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. and HSBC Holdings PLC currently have a stand alone credit rating of A- with Standard & Poor's (30 June 2020: A- with Standard & Poor's and 31 December 2020: A- with Standard & Poor's), whilst Barclays Bank PLC has a standalone credit rating of A with Standard & Poor's (30 June 2020: A with Standard & Poor's and 31 December 2020: A with Standard & Poor's). The Group considers these ratings to be acceptable.

Market price risk

Market price risk arises as a result of the Group's exposure to the future values of the share price of the STC. It represents the potential loss that the Group may suffer through investing in the STC. Further information can be found in the Annual Report and Audited Consolidated Financial Statements of the Company for the year ended 31 December 2020.

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. The Investment Manager considers the foreign exchange exposure of Whistle III to be a component of market price risk not foreign currency risk.

Interest rate risk

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

For the period from 1 January 2021 to 30 June 2021

10. Financial risk factors (*continued)*

Interest rate risk (continued)

As at 30 June 2021	**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	6,403,075	-	-	-	6,403,075
Financial assets at fair value through profit or loss	-	-	-	552,449,985	552,449,985
Prepaid expenses	-	-	-	42,603	42,603
Other receivables	-	-	-	24,705	24,705
Total Assets	**6,403,075**	**-**	**-**	**552,517,293**	**558,920,368**
Liabilities					
Other payables	-	-	-	(98,245)	(98,245)
Total Liabilities	-	-	**-**	**(98,245)**	**(98,245)**

As at 30 June 2020	**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	4,248,227	-	-	-	4,248,227
Financial assets at fair value through profit or loss	-	-	-	346,926,656	346,926,656
Prepaid expenses	-	-	-	44,162	44,162
Total Assets	**4,248,227**	**-**	**-**	**346,970,818**	**351,219,045**
Liabilities					
Other payables	-	-	-	(106,339)	(106,339)
Total Liabilities	-	-	**-**	**(106,339)**	**(106,339)**

For the period from 1 January 2021 to 30 June 2021

10. Financial risk factors (*continued)*

Interest rate risk (*continued*)

As at 31 December 2020	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	2,312,076	-	-	-	2,312,076
Financial assets at fair value through profit or loss	-	-	-	419,313,486	419,313,486
Prepaid expenses	-	-	-	21,757	21,757
Total Assets	**2,312,076**			**419,335,243**	**421,647,319**
Liabilities					
Other payables	-	-	-	(78,058)	(78,058)
Total Liabilities	**-**	**-**	**-**	**(78,058)**	**(78,058)**

As at 30 June 2021, the total interest sensitivity gap for interest bearing items was a surplus of £6,403,075 (30 June 2020: surplus of £4,248,227 and 31 December 2020: surplus of £2,312,076).

As at 30 June 2021, interest rates reported by the Bank of England were 0.1% (period ended 30 June 2020: 0.1% and year ended 31 December 2020: 0.1%) which would equate to income of £6,403 (period ended 30 June 2020: £4,248 and year ended 31 December 2020: £2,312) per annum if interest bearing assets remained constant. If interest rates were to fluctuate by 50 basis points (period ended 30 June 2020: 50 basis points and year ended 31 December 2020: 50 basis points), this would have a positive effect of £38,418 or negative effect of £6,403 (period ended 30 June 2020: positive effect £21,241 or negative effect of £4,248 and year ended 31 December 2020: £11,560) on the Group's annual income.

Capital risk management

The capital structure of the Company consists of proceeds raised from the issue of Ordinary Shares. As at 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.

11. Distributions

Distributions of £109,720 were paid by the Group to non-controlling interests during the period (period ended 30 June 2020: £Nil and year ended 31 December 2020: £Nil).

12. Update on 2021 Annual General Meeting (“AGM”) resolution votes

On 26 May 2021, the board of the Company announced that all resolutions proposed at the 2021 AGM were passed with the necessary majority. In accordance with the requirement of provision 4 of the UK Corporate Governance Code 2018, the Company is providing the following update following the significant minority votes against resolutions 3, 4, 5, and 6 for the re-elections of Mr T Morgan (33.05%), Mr T Ash (32.19%), Mr C Legge (31.99%), and Mr I Brindle (31.99%), respectively, at the AGM.

For the period from 1 January 2021 to 30 June 2021

12. Update on 2021 Annual General Meeting ("AGM") resolution votes (*continued*)

The Board has identified that the votes against these resolutions relate principally to two shareholders. The Board and the Investment Manager have engaged with these shareholders, both prior to and after the AGM, to understand their views and will continue to engage with them, as necessary. The Company remains committed to consultation with its shareholders and continues its policy of maintaining an open dialogue. The Company will set out further details within the Company's 2021 Annual Report and Consolidated Financial Statements.

13. Subsequent events

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