

**SHERBORNE INVESTORS (GUERNSEY) C LIMITED**

**Annual Report and Audited Financial Statements**

**For the year ended 31 December 2024**

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# The Company and Its Advisers

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## **Non-Executive Directors**

Talmaj Morgan (*Chairman*)  
Trevor Ash  
Ian Brindle  
Helen Sinclair  
Linda Wilding

(all care of the registered office)

## **Investment Manager**

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

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

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

## **Registrar**

MUFG Pension & Market Services  
(Previously: Link Market Services (Guernsey)  
Limited)  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey, GY2 4LH

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

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

## **Company Website:**

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

## **Registered Office**

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

Registered Number 63600

## **Independent Auditor**

*Until 31 July 2024*

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

*Effective from 1 August 2024*

Grant Thornton Limited  
St James Place  
St James Street  
St Peter Port  
Guernsey, GY1 2NZ

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

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

## **Broker**

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

## **Custodian**

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

## Company Summary

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

# Chairman's Statement

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## For the year ended 31 December 2024

Dear Shareholder

I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year from 1 January 2024 to 31 December 2024.

At 31 December 2024, the net asset value ("NAV") attributable to shareholders of the Company was £430.3 million (2023: £566.3 million) or 61.5 pence per share (2023: 80.9 pence per share) (see Note 8). As at 31 March 2025 the estimated (unaudited) NAV, as reported, was 57.0 pence per share (31 March 2024: 77.1 pence per share).

The Company co-invests in Navient Corporation ("Navient") with other investors in funds managed by Sherborne Investors Management LP ("Sherborne Investors"). Sherborne Investors owns approximately 29% of Navient's outstanding shares, making it the largest shareholder in Navient, and also owns a 30.0% interest in the outstanding shares of the Company. The Company is pursuing its investment strategy through its indirect shareholding in Navient. The reduction of the Company's NAV in the period resulted from a decline in the share prices of Navient and the Company. See Note 5 of the Notes to the Financial Statements.

In December 2024, it was announced that Navient and Sherborne Investors agreed that Mr. Edward Bramson, a partner in Sherborne Investors, would be appointed Chairman of the board of directors of Navient following Navient's annual meeting of shareholders to be held in June 2025. In connection with this agreement, Navient and Sherborne Investors extended their April 2022 nomination and cooperation agreement to a latest date of 30 June 2025.

Mr. Bramson is currently Vice Chairman of Navient and, through this role, has assisted the Navient board with the formulation and execution of the first phase of Navient's turnaround. The first phase consisted of three primary objectives: outsourcing of loan servicing, divestiture of a non-core division, and reducing operating expenses. Navient announced on 29 January 2025 that the first phase of the turnaround resulted in the completion of the three primary objectives, including a reduction in overhead expenses of approximately 40%. Phase two of the turnaround is expected to be announced in the second half of 2025 and will consist of additional cost reductions and specific growth targets, principally focusing on Navient's Earnest business.

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

During 2024 Navient paid dividends to shareholders totalling \$0.64 per share, of which the Company received its proportionate share. The Company paid a dividend with respect to 2023 results of 0.5 pence per share on 31 May 2024 and a further interim dividend of 0.5 pence per share with respect to 2024 on 4 October 2024. I am pleased to announce that the Company is declaring a further 0.1 pence per share dividend to be paid on 23 May 2025 to shareholders of record on 2 May 2025, bringing the total dividends paid in respect of 2024 results to 0.6 pence per share.

The Company's share price currently trades at an approximate 25% discount to NAV and, in acknowledgement of this, the Board of the Company has taken the decision to prioritise share repurchases over dividends for the upcoming year. The Company expects initially to allocate between £10 million and £15 million to share repurchases over the next year and also to continue the dividend

## Chairman's Statement (Continued)

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at an annual rate of 0.1 pence per share to be paid following the 2025 annual results. The proposed buyback of shares is expected to be accretive to the NAV of the Company.

The share repurchase and new level of dividend, in aggregate, would represent a greater than 50% increase in return of capital to shareholders compared to 2024. The share repurchases will be subject to the passage of various requisite resolutions at the annual meeting of shareholders in May 2025, further details of which will be provided as a part of the forthcoming notice of annual general meeting.

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

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

Yours sincerely,



**Talmai Morgan**

Chairman

22 April 2025

## Board of Directors

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### ***Talmi Morgan (Chairman)***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Directors' Report (Including the Strategic Report)

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The Directors present their annual report on the affairs of Sherborne Investors (Guernsey) C Limited and its subsidiaries (together, the "Group"), until their dissolution, together with the audited financial statements, for the year ended 31 December 2024.

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

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

SIGC Midco Limited, a former wholly owned subsidiary of the Company, was dissolved in early 2023, and therefore the Company became a limited partner in SIGC LP (Incorporated) ("Investment Partnership"), a limited partnership registered in Guernsey on 24 May 2017, until its dissolution in May 2023, following which the Company became an investor in the Funds. During 2024, Sherborne Investors undertook a reorganisation of the Funds, which resulted in the shares of Navient Corporation ("Navient") and of the Company owned by the Funds being transferred to Sherborne Strategic Fund F, LLC and Sherborne Strategic Fund G, LLC, respectively. For further details, see Note 1 and Note 9 of the Financial Statements. All references to the Investment Partnership herein shall be only until its date of dissolution.

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

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

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

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

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

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

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

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

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

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

### Risk Management

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

In its role as a third-party fund administration services provider, Apex Fund and Corporate Services (Guernsey) Limited produced an annual SSAE 18 and ISAE 3402 Type 2 Assurance Report on the internal control procedures in place for the year ended 30 September 2024 and this is subject to review by the Audit Committee and the Board.

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

- performance risk;
- market risk;
- key person risk;
- fraud and cyber security risk;
- accounting, legal and regulatory risks; and
- emerging risk

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

The Board can confirm that the principal and emerging risks of the Company, including those which would threaten its business model, future performance, solvency or liquidity, have been robustly assessed for the year ended 31 December 2024.

- **Performance risk** - The Board is responsible for approving the Investment Manager's recommended investment in an STC and monitoring the performance of the Investment Manager. An inappropriate strategy or poor execution of strategy may lead to underperformance. To manage that risk, the Investment Manager will typically have several potential target companies under review at any one time in various stages of analysis. The Investment Manager's recommendation of an STC includes an assessment of the capital appreciation potential of the proposed investment, assuming certain operating improvements and capital realignment are successfully implemented. The Company intends that its holding in the STC will be less than 30% of the outstanding shares if the STC is a UK company, so that it is not required to make a bid for the entire company. Accordingly, the Company will not control the STC. The Investment

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

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Manager's involvement in the Turnaround of the STC requires the support of other independent shareholders. The Board receives regular updates of the Funds' ownership interest in the STC and other information that impacts its Turnaround strategy. The Audit Committee is responsible for all matters pertaining to risks and it formally monitors the investment performance of the Company at least three times a year including when the Investment Manager reports on the performance of the Company's portfolio at board meetings.

- **Market risk** - Market risk arises from uncertainty about the future operating performance and market response to the Company's investment in the STC. The Company's objective of market risk assessment is to manage and control market risk exposures within acceptable parameters while optimising the return on investment. The Company's investment approach is to invest in only one company at a time. Such investment concentration may subject the Company to greater market fluctuation and loss than might not result from a more diversified investment portfolio. The market's valuation of the STC is also subject to fluctuations in overall market prices as well as fluctuations in the industry sectors in which the STC operates. The Investment Manager does not typically hedge against overall market or sector fluctuations. The Company may also use a limited amount of short-term leverage to acquire a portion of its ownership interest in the STC, which will amplify the results of the STC. In addition to interest and dividend income received from the STC, the source of debt repayment could come from the proceeds realised from the sale of a portion of the STC. The Investment Manager manages the Company's market risk in accordance with policies and procedures in place as disclosed in the Company's prospectus. The Company's market risk is monitored closely and managed and mitigated as far as possible by the Investment Manager through active portfolio management. The Investment Manager reports to the Board on these matters.
- **Key person risk** - Key person risk refers to the potential impact of losing individuals critical to a company's operations. For this Company, the loss of a Director is significant due to the small Board size, while losing key Investment Manager personnel poses an even greater risk given their crucial roles. Mitigation measures include advance retirement notice to be provided by Directors, Board annual reviews to identify inadequate support or skills, and the existence of the Company's Conflict of Interest policy. Although key person risk at the Investment Manager is difficult to mitigate, investors were made aware of the importance of these key persons at the Company's launch.
- **Fraud and cybersecurity risk** – Fraud such as misrepresentation, omission, or manipulation of financial information could be disruptive to the Company and pose a reputational risk if not dealt effectively. The Board receives regular updates on measures designed to prevent and detect fraudulent activities. These measures include establishing strong internal controls, ensuring accurate and transparent financial reporting, and maintaining thorough oversight of accounting processes. Large-scale network disruption such as hacking, malware, phishing, disrupted denial of service attacks could also disrupt and damage its reputation. The service providers also give regular updates on any cyber security issues and how they are managing the risk. All access to the offices of service providers is strictly controlled and Data protection policies are in place.
- **Accounting, legal and regulatory risks** – The Company is exposed to the risk of action or sanction by shareholders, counterparties or regulators if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission or if it fails to maintain accurate accounting records. Increased regulation (including climate change and ESG) may increase the Company's compliance burden and require changes to policies, procedures or disclosure requirements. The Administrator provides the Board with regular reports on changes in

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

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regulations and accounting requirements, including increased regulation relating to ESG and climate change. These contribute to the Board's ability to maintain its awareness and knowledge of climate/ESG related reporting requirements and its review of best practice for investment companies.

- **Emerging risks** – The Board is constantly alert to the identification of any new or emerging risks through the monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. When an emerging risk is identified, the risk assessment matrix is updated and appropriate mitigating measures are agreed. No emerging risks have been identified during the course of the year.

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

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

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

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

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

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

### Viability Statement

In accordance with provision 31 principle O of the UK Corporate Governance Code 2018, the Directors have assessed the viability of the Company as at 31 December 2024. The Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'going concern' provision. For the purposes of this statement, having regard to the economic planning cycle and the Company's strategy review period, the Board has adopted a three-year viability period to 31 December 2027.

In its assessment of the Company's viability, the Board has considered each of the Company's principal and emerging risks as detailed above and in particular the impact of a significant fall in the value of the Company's investment portfolio. The three-year period is the maximum period over which to provide

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

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its viability statement in order to keep in line with its investment strategy. The holding period for the investment in the STC is neither fixed nor predictable, but the Company expects that a holding period of up to 3-4 years would be sufficient to execute the Investment Manager's Turnaround strategy.

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

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

At 31 March 2025 the Company had an estimated (unaudited) NAV of £398.7 million. The Company and the Funds have sufficient liquid assets to meet expected costs. Expected costs are primarily based on contractual obligations and are therefore not subject to material fluctuations. The nature and amount of these costs are consistent with the prior year and are expected to be materially similar for the foreseeable future. The primary source of cash inflows is dividends paid by the STC to the Funds. The STC has paid a quarterly dividend since 2015. Should the STC cease paying dividends and should additional liquidity be required by the Funds or by the Company, shares of the STC, even if the share value were to decline by 50%, could be sold with sufficient liquidity provided to the Company. The Investment Manager has the full intent and ability for the Funds to provide the Company with any necessary funds as and if required.

Based on the foregoing, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its obligations as and when they fall due over the three-year period to 31 December 2027.

### Subsequent events

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

### Dividend policy

The Company's dividend policy, subject to the discretion of the Directors who reserve the right to retain amounts for minimum capital requirements or for any share repurchases, is to pay dividends to Shareholders following receipt of any distributions from the Funds, subject always to compliance with the solvency test prescribed by the Companies (Guernsey) Law, 2008, as amended (the "Companies Law").

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

### Dividend

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

Period end	Dividend per share (p)	Announcement date	Ex div date	Record date	Paid date
Ad hoc	0.5	30.04.2024	09.05.2024	10.05.2024	31.05.2024
Ad hoc	0.5	04.09.2024	12.09.2024	13.09.2024	04.10.2024

The Company has declared a dividend of 0.1 pence per share, payable on 23 May 2025 to shareholders on the register at 2 May 2025.

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

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### Business review

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

### Capital

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

### Substantial interests

As at 31 December 2024, the Company is aware of the following material shareholdings:

Shareholder	Number of Ordinary Shares	% of issued share capital
Sherborne Investors Management LP*	187,670,447	26.1
Invesco Limited	139,467,736	19.9
Columbia Threadneedle	129,298,511	18.5
Fidelity International Limited	77,210,833	11.0
Janus Henderson Group plc	73,267,400	10.5

\*Shares are owned by Sherborne Strategic Fund G, LLC, an indirect investment of SIGC LLC. Refer to Note 5 to the Financial Statements for additional detail.

As at 31 March 2025, the Company is aware that Sherborne Investors Management LP's shareholding is now 209,750,000 shares or approximately 30%. The Company is not aware of any other changes to the table above.

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

### Independent Auditor

Deloitte resigned as the Auditor effective 31 July 2024 and Grant Thornton was appointed as the new Auditor effective 1 August 2024.

By order of the Board of Directors



**Talmi Morgan**

Chairman

22 April 2025

## Directors' Remuneration Report

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### Remuneration Policy & Components

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

Effective 1 July 2024, the remuneration for directors was increased by 14% to take into account inflationary increases since the company was incorporated. This represents the first increase since the Company's incorporation on 25 May 2017.

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

Fees Received	2024	2023
	Actual £	Actual £
Chairman (Talmaj Morgan)	53,500	50,000
Audit Committee Chairman (Linda Wilding)	42,800	35,008
Audit Committee Chairman (Christopher Legge) (until 23 May 2023)	-	16,060
Non-Executive Director (Trevor Ash)	37,500	35,000
Non-Executive Director (Ian Brindle)	37,500	35,000
Non-Executive Director (Helen Sinclair)	37,500	31,986
<b>Total</b>	<b>208,800</b>	<b>203,054</b>

As outlined in the Articles, the Directors may also be paid for all reasonable travelling, hotel and other out-of-pocket expenses properly incurred in the attendance of Board or Committee meetings, General meetings, or meetings with shareholders of the Company or otherwise in the discharge of their duties; and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as Directors of the Company, such expenses having been immaterial during 2024.

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

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

## Directors' Remuneration Report (continued)

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



**Talmi Morgan**

Chairman

22 April 2025

## Corporate Governance Report

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The Board places a great importance on ensuring that high standards of corporate governance are maintained. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “UK Code”) in addition to setting out additional Principles and Provisions on issues that are of specific relevance to the Company. Accordingly, the Directors will take appropriate measures to ensure that the Company operates with due consideration to any codes of corporate governance that the Board deems appropriate and operates in accordance with the UK Corporate Governance Code 2018 and/or the GFSC Finance Sector Code of Corporate Governance, in each case having regard to the Company’s size and nature of business. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, will provide more relevant information to shareholders. As an unregulated, Guernsey incorporated company quoted on the Specialist Fund Segment (“SFS”), the Company has complied substantially with the Principles and Provisions of the AIC Code, with the exceptions detailed further below. Further information on the Code can be obtained from [www.frc.org.uk](http://www.frc.org.uk).

Except as disclosed below and within the report, the Board is of the view that the Company has complied with the principles and provisions of the Code throughout the year ended 31 December 2024, with the following exceptions:

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

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

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

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

#### *Role of the Board*

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

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

## Corporate Governance Report (continued)

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

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

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

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

### **Information and Support**

#### *Information Provided to the Board*

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

#### *Information on Shareholders*

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

The Chairman and other Directors are available to meet shareholders if required, and the AGM of the Company provides a forum for shareholders to engage with the Directors and discuss any issues. In prior years, the Chairman has met directly with shareholders both in London and virtually to discuss matters, and the Chairman and Directors have also addressed key strategic topics and shareholder queries during virtual meetings. In 2024, the Chairman has extended offers to meet shareholders in case of any concerns, although no meetings were requested by the shareholders. The Investment Manager is meticulous in holding direct meetings with shareholders and reporting these discussions to the Board. During 2024, the Investment Manager met individually with shareholders both in person and virtually to discuss the detailed progress of the Navient investment. Additionally, the Investment Manager provided written updates to shareholders highlighting new information published by Navient.

## Corporate Governance Report (continued)

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

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

### Division of Responsibilities

#### *The Chairman*

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

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

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

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

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

#### *Board and Committee Meeting Attendance*

The Board met 7 times and the Audit Committee met 5 times during the year. Individual attendance at Board and Audit Committee meetings is set out below.

	<b>Board</b>	<b>Audit Committee</b>
Talmai Morgan	7	N/A
Trevor Ash	7	5
Ian Brindle	5	5
Linda Wilding	5	5
Helen Sinclair	5	5

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

## Corporate Governance Report (continued)

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

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

### *Directors' Indemnity*

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

### *Conflicts of interest*

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

## **Commitment**

### *Chairman's Commitment*

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

### *Non-executive Directors' Commitments*

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

### *Development*

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

## Corporate Governance Report (continued)

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The Company also provides regular opportunities for the Directors to obtain a thorough understanding of the Company's business by regularly meeting members of the senior management team from the Investment Manager and other service providers, both in person and virtually. The Board undertakes an annual internal Board Performance Review. This exercise was completed in April 2025. The Company Secretary circulated questionnaires to each Director to complete independent of each other, and anonymously. Their completed forms were returned to the Company Secretary, and their responses collated into a report that was tabled at the Board meeting. The report findings were discussed at the meeting. The results of the performance review were satisfactory with no issues identified.

### *Company Secretary*

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

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

## **Composition, succession and evaluation**

### **Board Appointments Process**

#### *Appointment Process*

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

### **Board Diversity**

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

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

As 31 December 2024, the Company has not met the targets on board diversity set out in LR 9.8.6 (9)(a), contrary to the FCA's target for listed companies. The composition of the Board is monitored annually, and the future appointments will be based on merit with due regard for the benefits of diversity, including both gender and ethnic diversity.

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

## Corporate Governance Report (continued)

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

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

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

The Board currently consists of five non-executive members.

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

### **Evaluation**

#### *Board and Director Evaluation*

Using a pre-determined template based on the Code’s provisions as a basis for review, the Board undertakes an internal evaluation of its performance and that of the Audit Committee. The Chairman led the process using a pre-determined template and met with each of the Directors to ascertain their views on the functioning of the Board and the Audit Committees. In addition, the Chairman reviewed the performance commitment and contribution of each Director. Following discussions with the other Directors, the Audit Committee Chairman reviewed the performance of the Chairman. This was last completed in April 2024. The Board evaluated the investment matters, internal controls and corporate governance, administration and support services, and the committees with a positive outcome where all the Directors were in agreement. Additionally, an evaluation focusing on individual commitment, performance and contribution of each Director is conducted. If appropriate, new members would be proposed to resolve the perceived issues, or a resignation sought. Due to the size and structure of the Board the evaluation of the Chairman of the Board and Audit Committee is dealt with within the Board and Audit evaluations.

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

#### *Re-election and Board Tenure*

The Board has considered the need for a policy regarding tenure of office; however, the Board believes that any tenure decisions should consider the Company’s investment objective and the average length of seeking to achieve that, the need for continuity and maintenance of knowledge and experience and

## Corporate Governance Report (continued)

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to balance this against the need to periodically refresh Board composition and have a balance of skills, experience, age and length of service.

The Board remains satisfied that the individual contributions of each Director are, and will continue to be, important to the Company's long term sustainable success. Accordingly, at the AGM of the Company to be held on 21 May 2025, Talmi Morgan, Ian Brindle, Trevor Ash, Helen Sinclair and Linda Wilding will be proposed for re-election.

### *Board succession planning*

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

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

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

The Board has established an Audit Committee composed of Trevor Ash, Ian Brindle, Helen Sinclair and Linda Wilding, each of whom are independent. Linda Wilding is the Chairman of the Audit Committee. The Chairman of the Board is not a member of the Audit Committee, in accordance with Provision 24. The Committee, its membership and its terms of reference, which can be found on the Company's website, are kept under regular review by the Board.

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

The Audit Committee is intended to assist the Board in discharging its responsibilities for the integrity of the Company's financial statements, as well as aid the assessment of the Company's internal control effectiveness and objectivity of external auditors. Further information on the Committee's responsibilities and the work of the Committee is given in the Report of the Audit Committee on pages 26 to 29.

The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that a sound system of risk management and internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary, as explained on page 23.

The Audit Committee considers the scope and effectiveness of the Company's external audit. The Company's Auditor, Grant Thornton Limited, may also provide additional non-audit services to the Company, which in the Audit Committee's opinion, will not compromise the independence of Grant

## Corporate Governance Report (continued)

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Thornton Limited's audit team. Further information is provided in the Report of the Audit Committee on pages 27 to 30.

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

The Directors affirm the Company's compliance with regulatory guidance concerning Alternative Performance Measures ("APMs") in financial reporting and remain committed to evaluating the applicability of such measures in future reporting cycles.

The financial disclosures adhere to the provisions of IAS 1 Presentation of Financial Statements, ensuring alignment with accounting principles and regulatory frameworks governing listed entities. This decision reflects the directors' objective to present financial results without the incorporation of supplementary metrics that could deviate from standardized definitions, prioritizing comparability and accuracy in financial reporting, and minimizing the risk of misinterpretation by stakeholders.

### *Financial and Business Reporting*

An explanation of the Directors' roles and responsibilities in preparing the Annual Report and Audited Financial Statements for the year ended 31 December 2024 is provided in the Directors' Report, pages 6 to 12, and Statement of Directors' Responsibilities, pages 30 and 31.

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

### *Going concern*

The Financial Statements have been prepared on the going concern basis. The net current asset position at year end is approximately £0.7 million and as at 4 April 2025 the company's estimated (unaudited) net current asset position is £1.6m. The Company, via the Funds, has sufficient liquid assets to meet expected costs. In the unlikely scenario that the Company's expenses were to increase 100% the resulting expenses would only represent approximately 0.3% of the Company's NAV. The level of liquid assets and expenses in the underlying structure has been considered, and the Investment Manager has full intent and ability for the Funds to provide the Company with funds as and if required. Therefore, after making enquiries and conducting a thorough review of the Company's working capital and cash flow requirements, the Directors have a reasonable expectation that the Company, via the Funds, has adequate resources to continue in operational activities for the foreseeable future, based on sufficient cash reserves as of 31 December 2024. The Board is satisfied, that at the time of approving the financial statement, no material uncertainties exist that may cast significant doubt concerning the Company's ability to continue for the foreseeable future, being 12 months after the date of approval of the financial statements. In addition, the Company's holdings of cash and cash equivalents means the Company has adequate financial resources to meet its liabilities as they fall due. The Board is therefore of the opinion that the going concern basis should be adopted in the preparation of the Financial Statements. Further detail can be found in the Viability Statement on page 10.

## Corporate Governance Report (continued)

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### *Investment Manager*

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

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

There are no arrangements relating to the termination of their appointment, including compensation payable in the event of termination. See the related parties transactions note 9 on pages 55 and 56.

### *Risk Management and Risk Control*

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

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

#### (i) Control environment

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

In its role as a third-party fund administration services provider, Apex Fund and Corporate Services (Guernsey) Limited produced an annual SSAE 18 and ISAE 3402 Type 2 Assurance Report on the internal control procedures in place for the year ended 30 September 2024 and this is subject to review by the Audit Committee and the Board.

## Corporate Governance Report (continued)

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During April 2024 the board performed a thorough evaluation of the controls of the Investment Manager Administration and the Company Secretarial service provider. No exceptions were noted during the review.

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

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

### (iii) Key procedures

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

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

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

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

There were no protected disclosures made pursuant to the whistleblowing policy of service providers in relation to the Company, during the year ended 31 December 2024 (unchanged from prior year). In summary, the Board considers that the Company's existing internal controls, coupled with the analysis of risks inherent in the business models of the Company and its subsidiaries, continues to provide appropriate tools for the Company to monitor, evaluate and mitigate its risks.

### **Remuneration**

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

## Corporate Governance Report (continued)

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### *Level and Components of Remuneration*

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

### *Procedures*

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

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

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

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

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

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

The Board, in conjunction with the Investment Manager and Broker, engages actively with Shareholders to understand their views and to ensure their interests are taken into consideration when determining the Company's strategic direction. Refer also to the Information and Support Section on pages 15 and 16 above.

### *Risk Management*

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

### *People, Community and Environment*

As an externally managed investment company, the Company has no direct employees and minimal direct impact on the environment, nor is it responsible for the emission of greenhouse gases. The principal responsibility to shareholders is ensuring that the portfolio is properly managed. The Investment Manager is responsible for the management of the portfolio and engages with the STC in

## Corporate Governance Report (continued)

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relation to their corporate governance practices and wider community responsibilities. For further details on their corporate governance and social practices, refer to the Social Responsibility page of the STC's website.

### *Anti-Bribery and Corruption*

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

### *Criminal Finances Act*

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

### *UK Modern Slavery Act*

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

### *Business Relationships*

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

### *Business Conduct*

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

### *Shareholders*

The Board place a great deal of importance on communication with all shareholders and envisages to continue effective dialogue with all shareholders. Further information in connection with shareholder engagement can be found on pages 15 and 16 of the Corporate Governance Report. Throughout 2024, the Board, both individually and collectively, will continue to review and challenge how the Company can continue to act in good faith to promote the success of the Company for the benefit of its members in the decisions taken.

## Report of the Audit Committee

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The Board is supported by the Audit Committee, which is comprised of four of the directors, not including the Chairman of the Board. The Board has considered the composition of the Committee and is satisfied that there are sufficient recent relevant skills and experience, in particular with the Chairman of the Audit Committee, Linda Wilding. The Board is also satisfied that the Committee as a whole has competence relevant to the sector in which the Company operates.

### **Role and Responsibilities**

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

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

### **Financial Reporting**

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

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- Material areas in which significant judgements have been applied or there has been discussion with the Auditor;
- Whether the Annual Report and Audited Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Company's performance, business model and strategy; and
- Any correspondence from regulators in relation to the Company's financial reporting.

## Report of the Audit Committee (continued)

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To aid its review, the Audit Committee considers reports from the Administrator and Investment Manager and also reports from the Auditor on the outcomes of their half-year review and annual audit. There was no half-year review performed in 2024. The Audit Committee supports the Auditor in displaying the necessary professional scepticism their role requires.

The Audit Committee met five times during the year under review; individual attendance of Directors is outlined on page 16. The main matters discussed at those meetings were:

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

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

### **Annual General Meeting**

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

### **Internal Audit**

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

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

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

## Report of the Audit Committee (continued)

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

Significant Issue	Actions to Address Issue
Valuation of investment – focus upon one target company means that any errors in valuation, depending on their size, can be highly material. A key risk is incorrect pricing used based on requirement of IFRS taking into account the market for those shares.	<p>The Audit Committee and Board review detailed portfolio valuations on a regular basis throughout the year under review, and receive confirmation from the Investment Manager that the pricing basis is appropriate and in line with relevant accounting standards.</p> <p>At 31 December 2024, the Company's investment consists solely of a non-controlling investment in SIGC LLC, which has received unqualified audit opinions since inception and measures its balance sheet at fair value. The net asset value of SIGC LLC, obtained from the audited SIGC LLC financial statements at year end, is used as a proxy for fair value to measure the fair value of the investment in SIGC LLC.</p>

### Auditor Tenure and Objectivity

The Company's Auditor, Grant Thornton Limited, has been appointed to act pursuant to an Engagement Letter signed on 1 August 2024, following a tender process conducted earlier in the year. The Committee reviews the Auditor's performance on a regular basis with a detailed formal review conducted on an annual basis to ensure the Company receives an optimal service. The re-appointment of the Company's Auditor will be subject to annual shareholder approval at the AGM. The Auditor is required to rotate the audit partner regularly every five years. A new audit partner, Michael Carpenter, was appointed to the Company during 2024. There are no contractual obligations restricting the choice of external auditor and the Company will consider putting the audit services contract out to tender at least every ten years.

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

The audit Committee undertook a formal review of the external auditor for the year ended 31 December 2024, with no issues arising. As a result of their review, the Committee is satisfied that Grant Thornton Limited is independent of the Company, the Investment Manager and other service providers and recommends the continuing appointment of the Auditor to the Board.

### Conclusions in Respect of the Financial Statements

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

## Report of the Audit Committee (continued)

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

As a result of the work performed during the year, the Audit Committee has concluded it has acted in accordance with its Terms of Reference and ensured the independence and objectivity of the external Auditor. The Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on pages 30 and 31.



**Linda Wilding**  
Audit Committee Chairman  
22 April 2025

## Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Responsibility statement**

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by the Disclosure and Transparency Rule ("DTR") 4.1.12R;
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face, as required by DTR 4.1.8R and DTR 4.1.11R.

## Statement of Directors' Responsibilities (continued)

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

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

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



**Talmai Morgan**

Chairman

22 April 2025

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Sherborne Investors (Guernsey) C Limited**

#### **Qualified Opinion**

We have audited the financial statements of Sherborne Investors (Guernsey) C Limited (the "Company") for year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information. The financial statements framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as adopted by the European Union (EU).

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of our audit report, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cashflows for the year then ended;
- are in accordance with IFRS Accounting Standards as adopted by the European Union (EU); and
- comply with the Companies (Guernsey) Law, 2008.

#### **Basis for qualified opinion**

The Company's financial asset at fair value through profit or loss includes its investment in SIGC LLC amounting to £429.7m as at 31 December 2024 (£565.5m as at 31 December 2023). As at 31 December 2023, £32.4m of the investment represents other net assets held in underlying intermediately holding entities under SIGC LLC. We were unable to obtain sufficient and appropriate audit evidence in relation to the fair value of these other net assets as at the start of the period.

Consequently, we were unable to determine whether any adjustments to those amounts were necessary and as a result, we were unable to obtain sufficient and appropriate audit evidence on the other net assets portion of the opening balance of the financial assets at fair value through profit or loss and the related unrealised loss for the year reported in the Statement of Comprehensive Income.

The auditors' opinion on the financial statements for the year ended 31 December 2023 was also qualified in respect of the same matter.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matter	How the matter was addressed in our audit
<p><b>Valuation of financial assets at fair value through profit or loss (2024: £429.7m, and 2023: £565.5m)</b></p> <p>The Company has a single Level 3 Investment in SIGC LLC (“SIGC”) as at 31 December 2024. In turn, SIGC has a single investment in an intermediary entity which invests in two Funds. One of the Fund’s sole investment is in Navient Corporation (“Navient”), a NASDAQ listed entity.</p> <p>There is a risk of error in the valuation through the complexity in the structure. The risk is that the incorrect price has been used to determine the fair value of the investment in Navient at year-end. Further, there is a risk that the NAV of SIGC, consisting of the NAVs of the intermediary entities, does not approximate the fair value.</p> <p>Since the main driver of the Company’s net asset value is the valuation of Navient, this is an area of focus for stakeholders and a significant audit risk area. Therefore, this required significant audit attention.</p> <p><i>Refer to the Audit Committee Report (pages 26-29); Accounting policies in pages 41-45, and Note 5, Financial assets at fair value through profit or loss, to the Financial Statements.</i></p>	<p><b>Procedures performed</b></p> <ul style="list-style-type: none"> <li>• We have obtained an understanding of processes, policies and methodologies and controls concerning the valuation and measurement of financial assets held at fair value through profit and loss.</li> <li>• We performed a walkthrough and tested the design and implementation of relevant controls.</li> <li>• We assessed whether the Company’s investment in SIGC LLC accurately reflects its NAV driven by the value of the listed investment in Navient held through the underlying intermediary entities.</li> <li>• We performed the following procedures on financial assets at fair value through profit and loss to check the NAV of SIGC: LLC: <ul style="list-style-type: none"> <li>○ Recalculated value of the investment in Navient, through the structure has been measured at the bid price as at reporting date.</li> <li>○ Assessed if Navient’s shares are actively trading by inspecting information in NASDAQ and that the bid price represents the fair value of the shares.</li> <li>○ Obtained the audited financial statements of SIGC LLC and the intermediary entities within the structure and reconciled the NAV to the fair value of the investment recorded.</li> <li>○ Agreed the cash and cash equivalents balance to the bank statement across the entities in the structure.</li> <li>○ Determined if there are any material differences between the financial reporting framework applied by the underlying investee entities i.e. US GAAP and the financial reporting framework applied by the Company which is IFRS Accounting Standards.</li> </ul> </li> <li>• We inspected the announcement made to the market and media coverage related to Navient Corporation to gain further insight into market perceptions, risks and opportunities that might impact the fair value</li> </ul>

The key audit matter	How the matter was addressed in our audit
	<p>and classification of the investment.</p> <ul style="list-style-type: none"> <li>We evaluated whether fair value disclosures in the financial statements are appropriate, complete and in accordance with the requirements of IFRS 13 Fair Value Measurement.</li> </ul> <p><b>Our result</b></p> <p>Except for the matter explained in the basis for qualified opinion section, we did not identify any material misstatements concerning the valuation of financial assets at fair value through profit or loss in the period.</p>

### Other matters

We draw attention to the fact that the financial statements of Sherborne Investors (Guernsey) C Limited for the year ended 31 December 2023 were audited by another auditor who expressed a qualified opinion on those financial statement on 30 April 2024.

### Other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the valuation of net asset portion of the opening balance of financial assets. We have concluded that where the other information refers to the net other asset portion of the opening balance of the financial asset or the related unrealised loss, it may be materially misstated for the same reason.

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 30 – 31 in the Financial Statements, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Carpenter.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

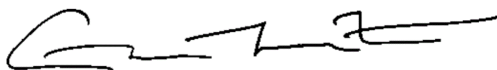
### **Matters on which we are required to report by exception**

Arising solely from the limitation on the scope of our work relating to valuation of financial assets, referred to above:

- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit; .

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records.



**Grant Thornton Limited**  
Chartered Accountants  
St Peter Port  
Guernsey

Date: 22 April 2025

# Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	1 January 2024 to 31 December 2024		1 January 2023 to 31 December 2023	
		£	£	£	£
<b>Income</b>					
Unrealised (loss)/gain on financial assets at fair value through profit or loss	5		(128,191,068)		46,852,537
Interest income			6,677		6,807
<b>Total (loss)/income</b>			(128,184,391)		46,859,344
<b>Expenses</b>					
Management fees	9	-		2,087,689	
Professional fees		213,362		253,526	
Directors' fees	2,9	208,800		203,054	
Administrative fees		123,221		133,273	
Other fees		173,249		178,719	
Foreign exchange loss		-		82,103	
<b>Total operating expenses</b>			718,632		2,938,364
<b>Comprehensive (loss)/income</b>			(128,903,023)		43,920,980
<b>Comprehensive income/(loss) attributable to:</b>					
<b>Equity Shareholders</b>			(128,903,023)		43,911,376
<b>Non-controlling interest (NCI)</b>			-		9,604
<i>Weighted average number of shares outstanding</i>	4		700,000,000		700,000,000
<i>Basic and diluted (loss)/earnings per share attributable to shareholders (excluding NCI)</i>	4		(18.41)p		6.27p

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

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

## Statement of Financial Position

As at 31 December 2024

		2024		2023	
	Notes	£	£	£	£
<b>Non-Current Assets</b>					
Financial assets at fair value through profit or loss	5		429,674,484		565,515,552
			<b>429,674,484</b>		<b>565,515,552</b>
<b>Current Assets</b>					
Cash and cash equivalents	10	758,603		816,593	
Prepaid expenses		13,291		18,715	
		<b>771,894</b>		<b>835,308</b>	
<b>Current Liabilities</b>					
Trade and other payables	6	98,868		100,327	
		<b>98,868</b>		<b>100,327</b>	
<b>Net Current Assets</b>			<b>673,026</b>		<b>734,981</b>
<b>Net Assets</b>			<b>430,347,510</b>		<b>566,250,533</b>
<b>Capital and Reserves</b>					
Called up share capital and share premium	7		688,939,403		688,939,403
Retained deficit			(258,591,893)		(122,688,870)
Equity attributable to the Company			430,347,510		566,250,533
<b>Total Equity</b>			<b>430,347,510</b>		<b>566,250,533</b>
<b>NAV Per Share</b>	8		<b>61.47p</b>		<b>80.89p</b>

The Financial Statements were approved by the Board of Directors for issue on 22 April 2025.

Signed on behalf of the Board:



Director



Director

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

## Statement of Changes in Equity

For the year ended 31 December 2024

	Notes	Share Capital and Share Premium £	Retained deficit £	Total Equity £
<b>Balance at 1 January 2024</b>		<b>688,939,403</b>	<b>(122,688,870)</b>	<b>566,250,533</b>
Comprehensive loss		-	(128,903,023)	<b>(128,903,023)</b>
Distributions	<b>11</b>	-	(7,000,000)	<b>(7,000,000)</b>
<b>Balance at 31 December 2024</b>		<b>688,939,403</b>	<b>(258,591,893)</b>	<b>430,347,510</b>

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

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

## Statement of Cash Flows

For the year ended 31 December 2024	Notes	1 January 2024 to 31 December 2024 £	1 January 2023 to 31 December 2023 £
<b><i>Cash flows from operating activities</i></b>			
Comprehensive (loss)/income		(128,903,023)	43,920,980
<b>Adjustments for:</b>			
Unrealised loss/(gain) on financial assets at fair value through profit or loss	5	128,191,068	(46,852,537)
Movement in prepaid expenses		5,424	11,116
Movement in trade and other payables	6	(1,459)	(127,019)
Interest income		(6,677)	(6,807)
<b>Net cash flow used in operating activities</b>		<b>(714,667)</b>	<b>(3,054,267)</b>
<b>Investing activities</b>			
Contribution to investments	5	-	(633,786)
Distribution from investments	5	7,650,000	6,633,353
Interest income		6,677	6,807
<b>Net cash flow from investing activities</b>		<b>7,656,677</b>	<b>6,006,374</b>
<b>Financing activities</b>			
Distributions to non-controlling interest	11	-	(109,627)
Distributions to shareholders	11	(7,000,000)	(7,000,000)
<b>Net cash flow used in financing activities</b>		<b>(7,000,000)</b>	<b>(7,109,627)</b>
Net movement in cash and cash equivalents		(57,990)	(4,157,520)
Opening cash and cash equivalents		816,593	4,974,113
<b>Closing cash and cash equivalents</b>		<b>758,603</b>	<b>816,593</b>

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

# Notes to the Financial Statements

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**For the year ended 31 December 2024**

## **1. Summary of material accounting policies**

### **Reporting entity**

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

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

The Company, via SIGC Midco Limited (“Midco”), a former wholly owned subsidiary that was dissolved and liquidated during 2023, owned 99.98% of the capital interest in SIGC, LP (Incorporated) (the “Investment Partnership”), another former subsidiary that was also dissolved and liquidated during 2023, as described below.

In 2023, the investment manager of the Investment Partnership, Sherborne Investors Management (Guernsey) LLC, advised that following the Company’s distribution of proceeds from its indirect investment in Navient Corporation (“Navient”), it did not intend to seek to recall any funds for further investment. To effectuate this, the Investment Partnership’s investment manager assigned to the Company the Investment Partnership’s interest in SIGC LLC, as the constitutional documents of SIGC LLC do not permit the recall of distributed capital for reinvestment. As a result of this assignment, the Investment Partnership was dissolved by operation of its limited partnership agreement.

The “Group” was defined as the Company and its former subsidiaries, Midco and the Investment Partnership. Both subsidiaries were established/incorporated in Guernsey. Midco’s and the Investment Partnership’s results for the 2023 year were included in the financial statements up until their respective liquidations. In the opinion of the Directors, there is no single ultimate controlling party.

### **Basis of preparation**

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

### **Going concern**

The Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern. The Board is of the opinion that the going concern basis should be adopted in the preparation of the Financial Statements. Further detail can be found in the Viability Statement on page 10.

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

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

## Notes to the Financial Statements (continued)

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**For the year ended 31 December 2024**

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

#### **Going concern (continued)**

As at 31 December 2024, the Company's net current asset position is £0.7 million (2023: £0.7 million) with a net asset value ("NAV") of £430.3 million (2023: £566.3 million). As at 4 April 2025, the Company's estimated (unaudited) net current asset position is £1.6m.

The Company, via its investment in SIGC LLC and other funds in which the Company is indirectly an investor (the "Funds"), has sufficient liquid assets to meet expected costs. In the unlikely scenario that the Company's expenses were to increase 100%, the resulting expenses would only represent approximately 0.3% of the Company's NAV. The Investment Manager of the Funds, Sherborne Investors Management LP (including affiliates, the "Investment Manager"), has the full intent and ability for the Funds to provide the Company with funds as and if required.

After enquiring with the Investment Manager and Apex Fund and Corporate Services (Guernsey) Limited (the "Administrator") and conducting a thorough review of the company's working capital and cash flow requirements, the Directors have a reasonable expectation that the Company, via the Funds, has adequate resources to continue in operational activities for the foreseeable future, based on sufficient cash reserves as of 31 December 2024.

Accordingly, they continue to adopt a going concern basis in preparing these audited Financial Statements. Please see the Corporate Governance section on page 21.

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

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

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

Until 24 May 2023, when the Investment Partnership was dissolved, the Special Limited Partner was entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership exceeded a certain level. After the Investment Partnership's dissolution, the incentive allocation is incurred at SIGC LLC on the same economic terms as previously incurred at the Investment Partnership and accounted for on the same basis. Please see Note 9 on page 55 for further details.

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

As described further in Note 5, as at 31 December 2024 and 31 December 2023 the Company holds a non-controlling investment in SIGC LLC. While the Company holds a majority interest in SIGC LLC and holds access to the rewards and benefits, it does not exercise control over the day-to-day operations, nor does it have the ability to remove the controlling party, Sherborne Investors Master GP, LLC. As such, SIGC LLC is not consolidated but held and measured at fair value through profit or loss in accordance with IFRS 9 'Financial Instruments'. Fair value is measured in accordance with IFRS 13 'Fair Value Measurement'.

## Notes to the Financial Statements (continued)

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For the year ended 31 December 2024

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

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

The Company does not have influence over the investments and the purpose is to hold investment. Contractual cashflows are recognised upon realisation of the investment. Consequently, it has elected to value using fair value through profit and loss ("FVTPL"). Fair value is based on the net asset value of the investment, with the main contribution to the NAV being the quoted closing price of the STC as at 31 December 2024, together with incentive fee and cash balances. Please see Note 5 for further details.

#### Adoption of new and revised standards

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

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendments to IAS 7 – Statement of Cash Flows
- Amendments to IFRS 7 – Financial Instruments

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

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

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

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

- Amendments to IAS 21 – Lack of exchangeability
- Amendments to IFRS 18 – Presentation and disclosure in the Financial Statements
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

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 do not have a significant impact to the company except for IFRS 18 – Presentation and Disclosure in Financial Statements which will be applied from its mandatory effective date of 1 January 2027. Since retrospective application is required, the Comparative information for the financial year ending 31 December 2026 will be restated accordingly.

#### a. Functional currency

The Financial Statements are presented in Pound Sterling ("£"), which is the Company's functional and presentational currency. Items included in the Financial Statements of the Company are incurred in Pound Sterling.

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

## Notes to the Financial Statements (continued)

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**For the year ended 31 December 2024**

### **b. Financial Instruments**

#### **Financial Assets**

Financial assets, as defined by IFRS 9, are assets that represent a contractual right to receive cash or another financial asset from another entity.

Financial asset is recognised in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Investments are designated at fair value through profit or loss in accordance with IFRS 9 'Financial instruments', as the Company's business model is to invest in financial assets and to generate profit from their total return in the form of interest and changes in fair value. Please refer to note 1 under critical accounting judgements and key sources of estimation uncertainty.

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

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

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

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

The Company's investment is classified as a Level 3 investment within the fair value hierarchy. Refer to Note 5 for the further details. On disposal of shares, cost of investments is allocated on a first in, first out basis.

## Notes to the Financial Statements (continued)

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For the year ended 31 December 2024

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

#### c. Revenue recognition

Investment income and interest receivable from short-term deposits 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.

#### d. Expenses

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

#### e. Prepaid expenses and trade receivables

Trade and other receivables are initially recognised at fair value and subsequently, re-measured at amortised cost using the effective interest method. A provision for an expected credit loss on trade receivables is established when there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivables. The Company only holds trade receivables with no financing component, and which have maturities of less than 12 months at amortised cost and has therefore applied the simplified approach to expected credit loss. In accordance with IFRS 9, the Company also incorporates forward-looking information into the determination of expected credit losses.

#### g. Cash and cash equivalents

Cash and cash equivalents comprise cash, 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 Statement of Cash Flows. The carrying amount of these assets approximate their fair value, unless otherwise stated.

#### h. Trade and other payables

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

#### i. Financial instruments

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

#### j. Incentive allocation

Until 24 May 2023, when the Investment Partnership was dissolved, the incentive allocation was accounted for on an accrual basis. The incentive allocation was payable to the non-controlling interest and would therefore be recognised in the Statement of Changes in Equity rather than recognised as an expense in the Statement of Comprehensive Income. After the Investment Partnership's dissolution, the incentive allocation is incurred at SIGC LLC on the same economic terms as previously incurred at the Investment Partnership and accounted for on the same basis. Please see Note 9 on page 55 for further details.

### 2. Comprehensive income/(loss)

Ongoing charges are recurring expenses which are likely to recur in the foreseeable future and are related to the operation of the Company. They exclude costs for acquiring or disposing of investments, financing charges, and investment gains/losses. The charges are based on annual costs, serving as an estimate of future expenses.

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2024

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

	1 January 2024 to 31 December 2024	1 January 2023 to 31 December 2023
	£	£
Directors' fees	208,800	203,054
Auditor's remuneration - Audit	90,000	55,000
Auditor's remuneration - Interim review	-	28,000

The auditors have not provided any non-audit services during the reporting period.

### 3. Tax on ordinary activities

The Company has been granted exemption from income tax in Guernsey under the Income Tax (Exempt Bodies) (Bailiwick of Guernsey) Ordinance 1989 and is liable to pay an annual fee (currently £1,600 per company) under the provisions of the Ordinance. As such it will not be liable to income tax in Guernsey other than on Guernsey source income (excluding deposit interest on funds deposited with a Guernsey bank). No withholding tax is applicable to distributions to Shareholders by the Company.

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

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

### 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 (2023: 700,000,000) weighted average number of shares in issue during the year.

The earnings per share for the year attributable to equity shareholders ended 31 December 2024 amounted to loss of 18.41 pence per share (31 December 2023: a profit of 6.27 pence per share).

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

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

	2024 £	2023 £
Opening fair value	565,515,552	524,662,582
Contribution to investments	-	633,786
Distributions from investments	(7,650,000)	(6,633,353)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	(128,191,068)	46,852,537
<b>Closing fair value</b>	<b>429,674,484</b>	<b>565,515,552</b>

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2024

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

	Level I	Level II	Level III	Total
31 December 2024	£	£	£	£
Financial assets at fair value through profit and loss	-	-	429,674,484	429,674,484

	Level I	Level II	Level III	Total
31 December 2023	£	£	£	£
Financial assets at fair value through profit and loss	-	-	565,515,552	565,515,552

As at 31 December 2024 and 31 December 2023, the Company's investment consists solely of a non-controlling investment in SIGC LLC which was organised to invest in the STC. With SIGC LLC's balance sheet being measured at fair value, the NAV of SIGC LLC provides the best estimate of fair value for the Company's investment in SIGC LLC.

As at 31 December 2024 SIGC LLC's investment, via an intermediary, consists of non-controlling investment in each of Sherborne Strategic Fund F, LLC, which holds common stock of Navient, and Sherborne Strategic Fund G, LLC, which holds common stock of the Company. As at 31 December 2023 SIGC LLC's investment, via an intermediary, consisted of a non-controlling interest in Newbury Investors LLC, which held common stock of Navient and of the Company.

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

Capital distributions made during the year ended 31 December 2024 were made to fund the Company's dividend payment. Capital distributions made during the year ended 31 December 2023 were made to return excess funds drawn including the funding of the Company's dividend payment.

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

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

### 6. Trade and other payables

	2024	2023
	£	£
Professional fees payable	33,843	15,298
Administration fees payable	30,025	30,029
Audit fees payable	35,000	55,000
<b>Total</b>	<b>98,868</b>	<b>100,327</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2024

### 7. Share capital and share premium

	As at 31 December 2024	As at 31 December 2023
<b>Authorised share capital</b>	<b>No.</b>	<b>No.</b>
Ordinary Shares of no par value	Unlimited	Unlimited
<b>Issued and fully paid</b>	<b>No.</b>	<b>No.</b>
Ordinary Shares of no par value	700,000,000	700,000,000

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

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

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

	Basic and Diluted	
	No. of Shares	Pence per Share
<b>31 December 2024</b>	700,000,000	63.30
<b>31 December 2023</b>	700,000,000	80.89

### 9. Related party transactions

The Investment Manager was entitled to receive from the Investment Partnership, until its dissolution as disclosed in Note 1, a monthly management fee equal to one-twelfth of 1% of the net asset value of the Investment Partnership, less cash and cash equivalents and certain other adjustments. During the year ended 31 December 2024, management fees of £Nil (year ended 31 December 2023: £2,087,689) were paid by the Investment Partnership. Subsequent to the Investment Partnership's dissolution, management fees were paid to the Investment Manager by SIGC LLC on the same economic terms as previously incurred at the Investment Partnership as described above. During the year ended 31 December 2024, management fees of £4,950,867 were paid by SIGC LLC. No balance was outstanding at 31 December 2024 (31 December 2023: £Nil).

Sherborne Investors LP held the Special Limited Partner interest until the Investment Partnership's dissolution, as disclosed in Note 1. The Special Limited Partner was entitled to receive an incentive allocation once aggregate distributions to partners of the Investment Partnership, of which one was the Company, exceeded a certain level of capital contributions to the Investment Partnership, excluding amounts contributed attributable to management fees. Subsequent to the Investment Partnership's dissolution, the incentive allocation is incurred at SIGC LLC on the same economic terms as previously incurred at the Investment Partnership, as described below.

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.

## Notes to the Financial Statements (continued)

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For the year ended 31 December 2024

### 9. Related party transactions (continued)

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 Funds intend 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 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").

As of 31 December 2023, the incentive allocation for Stake Building Investments was computed at 20% of the net returns on the investment of the Investment Partnership, applicable until its dissolution. This allocation was 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 could waive or defer all or any part of any incentive allocation otherwise due.

At 31 December 2024, the incentive allocation at SIGC LLC has been computed based on a Stake Building Investment basis and amounted to £ Nil (31 December 2023: £1,585,047).

Through June 2024, the Company paid each Director, except for the Chairman, an annual fee of £35,000. The Chairman of the Audit Committee received an extra £5,000 annually, while the Chairman's fee was established at £50,000 per year. As of July 1, 2024, there was approximately a 14% increase in director remuneration, leading to a revised Director fee of £40,000 per annum and a Chairman fee of £57,000 per annum. Furthermore, the fee for the Chairman of the Audit Committee was adjusted to £45,600 per annum.

Individually and collectively, the Directors of the Company hold no shares of the Company as at 31 December 2024 (2023: nil).

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

### 10. Financial risk factors

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

#### *Liquidity risk*

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

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2024

### 10. Financial risk factors (continued)

As at 31 December 2024	Less than 3 months	3 – 12 months	Total
	£	£	£
Trade and other payables	-	98,868	98,868
	-	<b>98,868</b>	<b>98,868</b>

As at 31 December 2023	Less than 3 months	3 – 12 months	Total
	£	£	£
Trade and other payables	4,120	96,207	100,327
	<b>4,120</b>	<b>96,207</b>	<b>100,327</b>

#### **Credit risk**

The Company is exposed to credit risk in respect of its cash and cash equivalents, arising from possible default of the relevant counterparty, with a maximum exposure equal to the carrying value of those assets. The credit risk on liquid funds is mitigated through the Company depositing cash and cash equivalents across several banks. The Company does not adopt a write-off policy for credit risk.

Royal Bank of Scotland International has a stand-alone long term credit rating of A with Standard & Poor's (31 December 2023: A- with standard & Poor's) whilst Barclays Bank PLC has a standalone long term credit rating of A- with Standard & Poor's (31 December 2023: A+ with Standard & Poor's). The Company considers these ratings to be acceptable.

#### **Market price risk**

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

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

As at 31 December 2024, the share price of Navient and the Company were \$13.29 per share and 48.9 pence per share, respectively, which produced the Company's NAV of £430.3 million. At 31 December 2024 a 10% increase/decrease in the share price of Navient and the Company would increase/decrease the Company's NAV by approximately £40.9 million.

#### **Foreign exchange risk**

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2024

### 10. Financial risk factors (continued)

#### Interest rate risk

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

As at 31 December 2024

	1 month to 3 months	3 months to 1 year	Non- interest bearing	Total
	£	£	£	£
<b>Assets</b>				
Cash and cash equivalents	758,603	-	-	758,603
<b>Total Assets</b>	<b>758,603</b>	-	-	<b>758,603</b>

As at 31 December 2023

<b>Assets</b>				
Cash and cash equivalents	816,593	-	-	816,593
<b>Total Assets</b>	<b>816,593</b>	-	-	<b>816,593</b>

As at 31 December 2024, the total interest sensitivity gap for interest bearing items was a surplus of £758,603 (2023: £816,593).

As at 31 December 2024, interest rates reported by the Bank of England were 4.75% (31 December 2023: 5.25%) which would equate to net income of £36,034 (31 December 2023: £42,871) per annum if interest bearing assets and liabilities remained constant. If interest rates were to fluctuate by 100 basis points (2023: 100 basis points), this would have a positive or negative effect of £7,586 (2023: positive or negative effect of £8,166) on the Company's annual income.

#### Capital risk management

The capital of the Company is represented by proceeds raised from the issue of Ordinary Shares. The Directors' objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. As at 31 December 2024, the Company is not subject to any external capital requirement.

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

### 11. Dividends and Distributions

There were no distributions paid by the company to non-controlling interests during the year ended 31 December 2024 (year ended 31 December 2023: £109,627). During the year ended 31 December 2024 the Company paid a dividend of 1.0 pence per share as follows: 0.5 pence per share, or £3.5 million was paid, on 31 May 2024 to shareholders on the register at 10 May 2024 and 0.5 pence per share, or £3.5 million, was paid on 4 October 2024 to shareholders on the register at 13 September 2024. During the year ended 31 December

## Notes to the Financial Statements (continued)

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2023 the Company paid a dividend of 1.0 pence per share as follows: 0.5 pence per share, or £3.5 million was paid, on 26 May 2023 to shareholders on the register at 5 May 2023 and 0.5 pence per share, or £3.5 million, was paid on 6 October 2023 to shareholders on the register at 15 September 2023.

### **12. Subsequent events**

On 21 March 2025 Navient paid a dividend of 0.16 per share to shareholders of record on 7 March 2025.

The Company has declared a dividend on 23 April 2025 of 0.1 pence per share, payable on 23 May 2025 to shareholders on the register at 2 May 2025.

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