

GUERNSEY PORTFOLIOS PCC LIMITED - CORE
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

Contents	Page
Officers and Administration	1
Company Structure	2
Report of the Directors	3-4
Custodian's Report	5
Independent Auditor's Report	6-8
Statement of Financial Position	9
Notes to the Financial Statements	10-12

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

OFFICERS AND ADMINISTRATION

REGISTERED NUMBER: 45598

DIRECTORS

Michael Stimpson

Lisa Haggarty (appointed 24 March 2021)

Mark Cleary (appointed 1 July 2020)

David McNay (appointed 1 July 2020, resigned 21 December 2020)

Adam Buckholt (appointed 1 July 2020, resigned 24 March 2021)

Peter Edwards (appointed 1 July 2020, resigned 15 April 2021)

Patrick Firth (resigned 1 July 2020)

Ben Morgan (resigned 1 July 2020)

Grant Wilson (resigned 1 July 2020)

Nick Stebbing (resigned 1 July 2020)

The address of the Directors is the registered office of the Company.

REGISTERED OFFICE

For the period to 30 June 2020

Sarnia House

Le Truchot

St Peter Port

Guernsey, GY1 1GR

REGISTERED OFFICE

With effect from 1 July 2020

Third Floor, Cambridge House

Le Truchot

St Peter Port

Guernsey, GY1 1WD

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

For the period to 30 June 2020

Praxis Fund Services Limited

Sarnia House

Le Truchot

St Peter Port

Guernsey, GY1 1GR

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

With effect from 1 July 2020

Zedra Fund Managers (Guernsey) Limited

Third Floor, Cambridge House

Le Truchot

St Peter Port

Guernsey, GY1 1WD

CUSTODIAN

Butterfield Bank (Guernsey) Limited

PO Box 25

Regency Court

Gategny Esplanade

St Peter Port

Guernsey, GY1 3AP

INDEPENDENT AUDITOR

BDO Limited

Place du Pre

Rue du Pre

St Peter Port

Guernsey, GY1 3LL

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

COMPANY STRUCTURE

Guernsey Portfolios PCC Limited (the "Company") is an open-ended investment company of unlimited duration. The Company was incorporated in Guernsey on 5 October 2006 as a protected cell company, in accordance with the provisions of the Protected Cell Companies Ordinance, 1997 (subsequently replaced by the Companies (Guernsey) Law, 2008).

The Directors of the Company have elected to prepare separate financial statements for the Core and for each Cell that is active as at the year end. These financial statements are for the Core.

The below Cells were active during the year ended 31 March 2021:

- Kestrel Opportunities Fund
- Saltus Private Equity Portfolio
- RJMG Global Total Return Fund (formerly RMG Real Return Fund)
- Westbridge Fund

The cell RJMG Global Total Return Fund closed in October 2020.

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

REPORT OF THE DIRECTORS

The Directors of Guernsey Portfolios PCC Limited (the "Company") submit the annual report and audited financial statements of the Core for the year ended 31 March 2021.

Principal Activity

The principal objective of the Company is to achieve long term capital growth from a series of Cells established for the purpose of pursuing different investment strategies and investing in different types of assets, instruments and underlying funds. The Core has no activity other than that of holding the management shares and associated receivables and had no activity during the year; hence no profit and loss account is presented in the accompanying financial statements. See page 2 for a list of active Cells during the year.

Results and Dividends

The Core neither made a profit nor a loss during the year (31 March 2020: £nil). The Directors of the Company do not recommend the payment of a dividend for the financial year (31 March 2020: £nil).

Going Concern

As disclosed in the 31 March 2020 financial statements the Board had considered the potential efficiencies and benefits which could be achieved by an amalgamation of majority of the existing Guernsey Portfolio PCC Limited Cells (the "Existing Cells") into New Cells, which were intended to be newly formed protected cells of Zedra PCC (No 1) Limited, an existing protected cell company incorporated in Guernsey, which like the Company, is an open-ended collective investment scheme authorised by the GFSC pursuant to The Authorised Collective Investment Scheme (Class B) Rules 2013.

Subsequent to this the Board were of the opinion that it was no longer appropriate to prepare the 31 March 2020 financial statements on a going concern basis and had therefore chosen to prepare the financial statements on a basis other than that of going concern. This did not have any impact on the carrying value of the company's assets or liabilities and no adjustments were made to the 31 March 2020 financial statements as a result of preparing them on a basis other than that of a going concern.

On reflection, during the current year the Board decided not to amalgamate the Existing Cells into New Cells, due to issues in relation to the management of conflicts which would arise as a result of Zedra Fund Managers (Guernsey) Limited acting in the capacity of both Administrator and Manager and also providing Director services to Zedra PCC (No 1) Limited.

Furthermore, the amalgamation would have resulted in Zedra Fund Managers (Guernsey) Limited being brought into scope of certain responsibilities in relation to the Alternative Investment Fund Managers Directive, which the Board decided against.

The World Health Organisation declared a global health emergency in March 2020, it declared the spread of COVID-19 as a global pandemic. In order to stem the spread of the virus, Governments around the World took drastic steps which included compulsory closure of various businesses, shops and schools and heavy restrictions on movement of people which had a significant effect of global economies. While the Board continues to monitor the development and impact of the virus, it is of the opinion that given that the Administrator is able to continue to provide services, COVID-19 is likely to have minimal impact on the operations of the Cell. Global measures such as vaccinations, travel restrictions and containment of live cases have since been introduced by jurisdictions to combat COVID-19 and the investment markets have been recovering. The impact on the Cell's investments is now known and there have been no issues.

The Board has considered the consequences of COVID-19 and other events and conditions, and it has determined that the Cell has sufficient resources and to cover operating costs for a period of at least 12 months from date of approval of these financial statements and is able to continue as a going concern.

The Board has decided that the Westbridge Cell be closed and operations wound up in an orderly manner within the next twelve months from the date of signing. A distribution will be paid out of the Cell based on the June 2021 valuation. It is therefore no longer appropriate to consider the cell as a going concern and the accounts have been prepared on a basis other than that of a going concern. No adjustments have been made to the carrying value of the Cell's net assets as at 31 March 2021 as a result of the non going concern basis as the Cell will be wound up in an orderly manner. However both the Kestrel and Saltus Private Equity Portfolio Cells will continue for the foreseeable future and therefore these Core accounts are prepared on a going concern basis.

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

REPORT OF THE DIRECTORS (continued)

Directors

The Directors of the Company who served during the year and to date are listed on page 1

The Directors of the Company who served during the year had the following interests in the Cell, held directly or indirectly:

	31 March 2021 Shareholding	31 March 2020 Shareholding
Patrick Firth (resigned 1 July 2020)		
Kestrel Opportunities	12,625	12,625
Ben Morgan (resigned 1 July 2020)		
Kestrel Opportunities	6,184	6,184

No other Director or their families had any interest in the Cells as at 31 March 2021.

There have been no changes to the Directors' shareholdings since 31 March 2021.

Directors' Responsibilities Statement

The Directors of the Company are responsible for preparing the annual report and the financial statements for each financial year which give a true and fair view of the state of affairs of the Core in accordance with applicable Guernsey law and European Union ("EU") adopted International Financial Reporting Standards ("IFRS"). In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Core will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Core and which enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008, The Authorised Collective Investment Schemes (Class B) Rules, 2013 made under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Company's principal documents. They are also responsible for safeguarding the assets of the Core and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Core's auditor is unaware, having taken all steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Core's auditor is aware of that information.

Corporate Governance

Following the publication by the GFSC of the Finance Sector Code of Corporate Governance in September 2011 (re-issued in 2016, effective from 1 April 2016 year ends onwards) (the "Code"), the Directors have considered the effectiveness of their corporate governance practices with regard to the principles set out in the Code. The Directors are satisfied with their degree of compliance with the principles set out in the Code in the context of the nature, scale and complexity of the Company's business.

Independent Auditor

A resolution to reappoint BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

Mark Cleary
Lisa Haggarty

Directors
Date: 12.10.2021

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

CUSTODIAN'S REPORT

In our capacity as Custodian to the Company we confirm that, in our opinion, the Manager has managed the Company during the year ended 31 March 2021, in accordance with the provisions of the principal documents of the Company, The Authorised Collective Investment Schemes (Class B) Rules, 2013 ("Class B Rules") and that no material breaches have occurred.

BUTTERFIELD BANK (GUERNSEY) LIMITED

PO Box 25
Regency Court
Gategny Esplanade
St Peter Port
Guernsey, GY1 3AP

Date: 12 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUERNSEY PORTFOLIOS PCC LIMITED – CORE

Opinion on the financial statements

In our opinion, the financial statements of Guernsey Portfolios PCC Limited – Core (“the Core”):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards, as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Core for the year ended 31 March 2021 which comprise the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards, as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Core in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and 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.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting

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

- proper accounting records have not been kept by the Core; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUERNSEY PORTFOLIOS PCC LIMITED – CORE, CONTINUED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement within the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Core'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 Core 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Core and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its activities as Core, and we considered the extent to which non-compliance might have a material effect on the Core's financial statements.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Core and have a direct impact on the preparation of the financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework such as International Financial Reporting Standards, as adopted by the European Union and the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to the presentation and disclosures made in the financial statements.

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

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission and internal compliance reports to identify and consider any known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining an understanding of the internal control environment in place to prevent and detect irregularities;
- Review of the financial statements to confirm compliance with the requirements of accounting framework.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUERNSEY PORTFOLIOS PCC LIMITED – CORE, CONTINUED

A further description of our responsibilities is available at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Core'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 Core'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 Core and the Core's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: 12 October 2021

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

STATEMENT OF FINANCIAL POSITION As at 31 March 2021

		2021	2020
	Note	£	£
Assets			
Receivables		100	100
Total Assets		<u>100</u>	<u>100</u>
Equity			
Management share capital	4	100	100
Total equity		<u>100</u>	<u>100</u>

The financial statements on pages 9 to 12 were approved by the Board of Directors and authorised for issue on 12 October 2021.

Mark Cleary
Lisa Haggarty

Directors

The accompanying notes form an integral part of these financial statements.

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. General Information

Guernsey Portfolios PCC Limited (the "Company") is an open-ended investment company of unlimited duration incorporated in Guernsey on 5 October 2006 as a protected cell company in accordance with the provisions of the Protected Cell Companies Ordinance, 1997 (subsequently replaced by the Companies (Guernsey) Law, 2008), initially with five Cells, subsequently increasing to fourteen (three of which were active at the end of the reporting period (31 March 2020: four)). The Company is authorised by the Guernsey Financial Services Commission as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987. A meeting was held on 17 April 2009, whereby the Board resolved to retain the Company's current status as an "Authorised Fund".

2. Principal Accounting Policies

Basis of accounting

The principal activity of the Core is to be the core for the Company, which is an open-ended investment vehicle, and has no activity other than that of holding the management shares and associated receivables.

The financial statements have been prepared in accordance with applicable law, the Company's principal documents and IFRS as adopted by the EU.

None of the new accounting standards, interpretations and amendments that have become effective in the current year have had a material impact on these financial statements.

As the Core has no activity, none of the new standards, amendments to existing standards or interpretations that are effective in future periods are expected to have a material impact on the financial statements.

There was no income or expenses during the current and prior years. As such, no Statement of Comprehensive Income has been presented in these financial statements.

The Core holds no bank accounts and no cash flows occurred during the year. As such no Statement of Cash Flows has been presented in these financial statements.

There was no change in the Core's equity during the current or prior year. As such, no Statement of Changes in Equity has been presented in these financial statements.

Going concern

The Board has considered the consequences of COVID-19 and other events and conditions, and it has determined that the Cell has sufficient resources and to cover operating costs for a period of a least 12 months from date of approval of these financial statements and is able to continue as a going concern. As disclosed in the 31 March 2020 financial statements the Board had considered the potential efficiencies and benefits which could be achieved by an amalgamation of majority of the existing Guernsey Portfolio PCC Limited Cells (the "Existing Cells") into New Cells.

Subsequent to this the Board were of the opinion that it was no longer appropriate to prepare the 31 March 2020 financial statements on a going concern basis and had therefore chosen to prepare the financial statements on a basis other than that of going concern. This did not have any impact on the carrying value of the company's assets or liabilities and no adjustments were made to the 31 March 2020 financial statements as a result of preparing them on a basis other than that of a going concern.

On reflection, during the current year the Board decided not to amalgamate the Existing Cells into New Cells, due to issues in relation to the management of conflicts which would arise as a result of Zedra Fund Managers (Guernsey) Limited acting in the capacity of both Administrator and Manager and also providing Director services to Zedra PCC (No 1) Limited.

Furthermore, the amalgamation would have resulted in Zedra Fund Managers (Guernsey) Limited being brought into scope of certain responsibilities in relation to the Alternative Investment Fund Managers Directive, which the Board decided against.

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

NOTES TO THE FINANCIAL STATEMENTS, continued For the year ended 31 March 2021

2. Principal Accounting Policies (continued)

Going concern

The World Health Organisation declared a global health emergency in March 2020, it declared the spread of COVID-19 as a global pandemic. In order to stem the spread of the virus, Governments around the World took drastic steps which included compulsory closure of various businesses, shops and schools and heavy restrictions on movement of people which had a significant effect of global economies. While the Board continues to monitor the development and impact of the virus, it is of the opinion that given that the Administrator is able to continue to provide services, COVID-19 is likely to have minimal impact on the operations of the Cell. Global measures such as vaccinations, travel restrictions and containment of live cases have since been introduced by jurisdictions to combat COVID-19 and the investment markets have been recovering. The impact on the Cell's investments is now known and there have been no issues.

The Board has considered the consequences of COVID-19 and other events and conditions, and it has determined that the Cell has sufficient resources and to cover operating costs for a period of a least 12 months from date of approval of these financial statements and is able to continue as a going concern.

The Board has decided that the Westbridge Cell be closed and operations wound up in an orderly manner within the next twelve months from the date of signing. A distribution will be paid out of the Cell based on the June 2021 valuation. It is therefore no longer appropriate to consider the cell as a going concern and the accounts have been prepared on a basis other than that of a going concern. No adjustments have been made to the carrying value of the Cell's net assets as at 31 March 2021 as a result of the non going concern basis as the Cell will be wound up in an orderly manner. However both the Kestrel and Saltus Private Equity Portfolio Cells will continue for the foreseeable future and therefore these Core accounts are prepared on a going concern basis.

3. Critical Accounting Estimates and Judgments

Going concern

For further details on the going concern assessment, refer to note 2 above.

4. Share Capital

The Management shares may only be issued at par and to Saltus (Channel Islands) Limited (the "Manager"). The Management shares carry no voting rights in the Company whilst any Participating Redeemable Preference shares of any Cell are in issue.

The Management shares do not carry any right to dividends and are not redeemable.

Issued share capital	Number of shares	Share capital £
Equity Shares		
Management shares of £1 each at 31 March 2021 and 31 March 2020	100	100
Total Equity Shares	100	100

GUERNSEY PORTFOLIOS PCC LIMITED - CORE

NOTES TO THE FINANCIAL STATEMENTS, continued **For the year ended 31 March 2021**

5. Related Parties

Mr Michael Stimpson, a Director of the Company, is also a Director of the Manager.

Mrs Lisa Haggarty, a Director of the Company, is also a Director of the Manager.

Mr Patrick Firth and Mr Grant Wilson, Directors of the Manager, were also Directors of the Company until their resignation as Directors of the Company on 1 July 2020.

Mr David McNay, Director of the Manager, was also a Director of the Company until their resignation as Director of the Company on 21 December 2020.

Mr Nick Stebbing, an alternate Director of the Manager, was also a Director of the Company until his resignation on 1 July 2020.

Mr Ben Morgan, a Partner of the Company's Legal Adviser, was also a Director of the Company until his resignation on 1 July 2020.

6. Subsequent Events

There were no significant post year end events that require disclosure in these financial statements.