

ZEDRA PCC (NO.1) LIMITED
FIXED INTEREST FUND STERLING CLASS CELL

Annual Report and Audited Financial Statements

For the year ended

31 March 2022

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2
Investment manager's report	5
Custodian's report	6
Independent auditor's report	7
Statement of profit and loss	10
Statement of changes in net assets attributable to participating redeemable shareholders	11
Statement of financial position	12
Cash flow statement	13
Portfolio statement	14
Notes to the financial statements	15

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M Cleary
P Edwards (resigned 26 April 2021)
L Haggarty (resigned 20 September 2021)
W Ritz (appointed 7 May 2021)
B Taylor (appointed 7 May 2021, resigned 10 May 2022)
D Fitzgerald (appointed 20 September 2021)
B Lewis (appointed 10 May 2022)

SECRETARY

Zedra Fund Managers (Guernsey) Limited
Third Floor
Cambridge House
Le Truchot
St. Peter Port
Guernsey GY1 1WD

REGISTERED OFFICE

Third Floor
Cambridge House
Le Truchot
St. Peter Port
Guernsey GY1 1WD

INDEPENDENT AUDITOR

Grant Thornton Limited
Lefebvre House
Lefebvre Street
St. Peter Port
Guernsey GY1 3TF

CUSTODIAN

Butterfield Bank (Guernsey) Limited
Regency Court
Glatigny Esplanade
St. Peter Port
Guernsey GY1 3AP

INVESTMENT MANAGER

Zedra Fund Managers (Guernsey) Limited
Third Floor
Cambridge House
Le Truchot
St. Peter Port
Guernsey GY1 1WD

ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Zedra PCC (No.1) Limited - Fixed Interest Fund Sterling Class Cell (the "Cell") for the year ended 31 March 2022.

The Cell was created and launched on 23 March 2005.

The Companies (Guernsey) Law 2008 permits a Protected Cell Company ("PCC") to forego preparing group audited consolidated financial statements, provided that all the underlying Cells that form the PCC produce individual audited financial statements at Cell only level. The directors agreed to adopt this level of financial reporting for this Cell, whereby the results of this Cell will not be incorporated in a group consolidation at the PCC group level.

PRINCIPAL ACTIVITIES

The Cell is part of Zedra PCC (No.1) Limited (the "Company") which is an open-ended investment company, constituted as a Protected Cell Company under The Companies (Guernsey) Law 2008.

The Company is authorised by the Guernsey Financial Services Commission as part of The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 under the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 2020 as amended.

The investment objective of the Cell is to provide shareholders with a return equal to 2.00% per annum over the six month Sterling Overnight Index Average ("SONIA") rate in effect at noon on 1 June and 1 December of each calendar year.

The shares of the Cell are listed on The International Stock Exchange ("TISE").

REVIEW OF ACTIVITIES

The results of the Cell for the year ended 31 March 2022 are disclosed in the Statement of Profit and Loss on page 9.

During the year the directors declared and paid dividends totalling £2,500, an income of £0.000928 per share, (year ended 31 March 2021: £3,506, an income of £0.001671 per share), from the profits of the Cell to the participating redeemable shareholders.

At 31 March 2022, net assets attributable to participating redeemable shareholders was £181,051 (31 March 2021: £140,926).

CELL STATISTICS

	Net asset value of the Cell	Net asset value per share	% change in net asset value per share	Number of shares in issue	Highest offer price	Lowest bid price
	£	£			£	£
31 March 2022	181,051	0.067	0.00%	2,692,686	0.067	0.067
31 March 2021	140,926	0.067	0.00%	2,098,912	0.067	0.067

Basic and diluted earnings per share in pence: 31 March 2022: 0.12p (31 March 2021: 0.15p)

SHARE CAPITAL - CELL

As at 31 March 2022, there were 2,692,686 participating redeemable shares in issue (31 March 2021: 2,098,912). There were no nominal shares in issue.

ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' REPORT (continued)

GOING CONCERN

After making enquiries based on justifiable assumptions, the directors have a reasonable expectation that the Cell will have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

The directors note that as Zedra Fund Managers (Guernsey) Limited will pay any expense that may arise, as the Cell's Supplementary Offering Memorandum states that the Cell is not to pay any fees or charges; the Cell will be sufficiently liquid to meet any anticipated redemption requests by liquidating investments.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2022.

DIRECTORS

The current directors, and those who served during the year, are listed on page 1.

ELECTION AND APPOINTMENT OF AUDITOR

Grant Thornton Limited was appointed as auditor of the Protected Cell Company on 28 June 2021. A resolution to re-appoint Grant Thornton Limited as independent auditor will be proposed at the forthcoming Annual General Meeting and Grant Thornton Limited has expressed its willingness to continue in office in accordance with section 258 of The Companies (Guernsey) Law, 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY CELLULAR FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with the applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102 'The Financial Reporting Standard' applicable in the UK and Ireland and applicable law. Under that law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Cell and of the profit and loss of the Cell for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Cell will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Cell's transactions and disclose with reasonable accuracy at any time the financial position of the Cell 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 Cell and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

DIRECTORS' REPORT (continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY CELLULAR
FINANCIAL STATEMENTS (CONTINUED)**

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008.

CUSTODIAN'S REPORT TO THE SHAREHOLDERS

The Directors note the disclosure stated within the custodian report. Having considered this in detail, and following a review of the Licensees Conduct of Business Rules and Guidance, 2021 section 3.1 (3), the Directors respectfully disagree with the assessment by the custodian. This section relates to Licensees under the POI law and further they refer to compliance procedures, which were established, maintained and made available to the Zedra team. The Directors are aware that desktop procedures were not supplied by Zedra Fund Managers (Guernsey) Limited to the custodian during their regulatory visit, but further note that these have now been made available. The supply of desktop procedures is not viewed by the Directors as a requirement of the PCC under the Licensees Conduct of Business Rules and Guidance, 2021 section 3.1 (3).

Barney Lewis

Damien Fitzgerald

Director

Director

Date: 21 December 2022

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

INVESTMENT MANAGER'S REPORT

The results of the Cell for the year ended 31 March 2022 are disclosed in the Statement of Profit and Loss on page 10.

The Cell has recorded an increase in net assets (before dividends paid) attributable to participating redeemable shareholders of £2,608 for the year ended 31 March 2022 (31 March 2021: an increase in net assets attributable to participating redeemable shareholders of £3,113) by investing in a Floating Rate Loan Note issued by a subsidiary of the Zedra PCC (No.1) Limited - Red and Gold Cell. This investment is held in accordance with the stated objective of the Cell.

The directors declared a gross dividend of £1,330 on 14 July 2021 and this was paid on 20 August 2021; and on 02 December 2021 a gross dividend of £1,170 was declared and paid on 26 January 2022 (31 Mar 2021: £1,911 paid on 31 July 2020 and £1,595 on 29 January 2021), in accordance with the Scheme's Principal Documents.

For and on behalf of

Zedra Fund Managers (Guernsey) Limited

Damien Fitzgerald

Director

Date: 21 December 2022

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

CUSTODIAN'S REPORT

In our capacity as Custodian to the Company we confirm that, in our opinion, the Scheme has been managed during the year ended 31 March 2022, in line with the provisions of the principal documents of the Company and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021. However, at the time of the custodian's regulatory visit, conducted during the reporting period, copies of the Operational Procedures could not be provided by the Licensee, thereby breaching the Licensees Conduct of Business Rules and Guidance, 2021 section 3.1 (3). Subsequent to the visit, copies of updated operational procedures have been made available for inspection and the custodian has undertaken and completed sample testing which has enabled the visit finding to be closed.

Following our reviews of valuations covering the reporting period, but provided in November 2022, breaches of both scheme documentation and the GFSC's Pricing Controls in respect of Open Ended Collective Investment Schemes guidance notes, 2021, were identified and brought to the attention of the Manager. In each instance the breaches were either non material or had no material impact, but they highlighted areas where controls could be enhanced. These matters have been reviewed by the Manager and enhancements to improve and strengthen processes and controls are being introduced. These will continue to be monitored through our review process.

Furthermore, in order to meet the Guernsey Financial Services Commission "GFSC" guidance note for 'Custodians of Open-Ended Collective Investment Schemes with Indirectly Held Assets', issued in December 2020, we have undertaken 'look through' reviews for those cells within this scheme that hold Special Purpose Vehicles "SPV's", or other such investments outside our direct custody, in order to verify the existence and control of these assets. Information has been provided to us to enable these checks to be completed, but it should be noted these reviews do not extend to validating the value of the underlying assets held by the SPV(s) as this is the responsibility of the Manager.

BUTTERFIELD BANK (GUERNSEY) LIMITED

Regency Court
Glatigny Esplanade
St Peter Port
Guernsey
GY1 3AP

Date: 21 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

Opinion

We have audited the financial statements of Zedra PCC (No. 1) Limited – Fixed Interest Fund Sterling Class Cell (the “Cell”) which comprise the Statement of Profit and Loss, the Statement of Changes in Net Assets Attributable to Shareholders, the Statement of Financial Position, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

In our opinion, the financial statements:

- give a true and fair view of the state of the Cell's affairs as at 31 March 2022 and of the Cell's profit for the year then ended;
- are in accordance with United Kingdom Generally Accepted Practice; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

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 Cell in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

The key audit matter	How the matter was addressed in our audit
<p>Risk 1</p> <p>Existence, ownership and carrying value of the investment (2022: £140,027 and 2021 £140,027).</p> <p>Explain risk</p> <p>The cell has unlisted investments carried at amortised cost. These investments comprise of one loan note issued by Bridgemere Securities Limited (a directly owned subsidiary of Zedra PCC (No.1) Limited – Red and Gold Cell) on 8 June 2005. This investment is highly material to the cell as it accounts for 77.34% of the net assets attributable to participating redeemable shareholders. The investment is valued in accordance with Sections 11 and 12 of FRS 102.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> ◦ We obtained an understanding of the controls and processes in relation to the existence, ownership and carrying value of the investment held; ◦ We obtained a direct confirmation from the Custodian confirming the investment holdings as at the year end and we also agreed the position to the audit financial statements of Zedra PCC (No.1) Limited - Red and Gold Cell; and ◦ We challenged management with regard to their assessment of the carrying value at the year-end and reviewed supporting information for any indicators of impairment. <p>Our results</p> <p>As a result of the procedures performed, we concluded that investments are fairly stated.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.

Matters on which we are required to report by exception

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 Cell; or
- the Cell's Financial Statements are not in agreement with the accounting records; or
- 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.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements set out on pages 3 and 4, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Practice, 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 Cell'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 Cell 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 Cell's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Cell'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 Cell 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 Cyril Swale.

Use of our report

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

Grant Thornton Limited

Chartered Accountants
St Peter Port
Guernsey

Date: 21 December 2022

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Interest income		2,608	3,113
		<hr/>	<hr/>
GROSS INCOME		2,608	3,113
Expenses		<hr/> -	<hr/> -
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING REDEEMABLE SHAREHOLDERS FROM INVESTMENT ACTIVITIES		<hr/> 2,608	<hr/> 3,113
BASIC AND DILUTED EARNINGS PER SHARE IN PENCE	5	<hr/> 0.12p	<hr/> 0.15p

All results derive from continuing operations. There were no other gains or losses.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING
REDEEMABLE SHAREHOLDERS
FOR THE YEAR ENDED 31 MARCH 2022**

	Share Capital Account £	Share Premium Account £	Income and expenditure Account £	Total £
At 31 March 2020	20,989	97,905	22,425	141,319
Net increase in net assets attributable to participating redeemable shareholders	-	-	3,113	3,113
Dividends paid	-	-	(3,506)	(3,506)
At 31 March 2021	20,989	97,905	22,032	140,926
Net increase in net assets attributable to participating redeemable shareholders	-	-	2,608	2,608
Value obtained from issue of shares	5,937	34,080	-	40,017
Dividends paid	-	-	(2,500)	(2,500)
At 31 March 2022	26,926	131,985	22,140	181,051

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	31 March 2022 £	31 March 2021 £
NON-CURRENT ASSETS			
Investments	4	<u>140,027</u>	<u>140,027</u>
CURRENT ASSETS			
Debtors		1,007	899
Cash and cash equivalents		<u>40,017</u>	<u>-</u>
NET ASSETS ATTRIBUTABLE TO PARTICIPATING REDEEMABLE SHAREHOLDERS		<u><u>181,051</u></u>	<u><u>140,926</u></u>
 NET ASSET VALUE PER SHARE IN PENCE		 <u><u>6.7p</u></u>	 <u><u>6.7p</u></u>

These financial statements on pages 10 to 22 were approved and authorised for issue by the Board of Directors on 21 December 2022.

Signed on behalf of the Board of Directors

Barney Lewis

Damien Fitzgerald

Director

Director

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Net cash (outflow)/inflow from operating activities	9	(108)	393
Cash flows from investing activities			
Interest received		2,608	3,113
Net cash inflow from investing activities		<u>2,500</u>	<u>3,113</u>
Cash flows from financing activities			
Dividends paid		(2,500)	(3,506)
Proceeds from issue of shares	8	40,017	-
Net cash inflow/(outflow) from financing activities		<u>37,517</u>	<u>(3,506)</u>
Net movement in cash and cash equivalents		40,017	-
Cash and cash equivalents held at beginning of year		-	-
Cash and cash equivalents held at end of year		<u><u>40,017</u></u>	<u><u>-</u></u>

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

**PORTFOLIO STATEMENT
AS AT 31 MARCH 2022**

	Amortised cost £'000	% of NAV
Unquoted Loan Notes	140,027	77.34%
Total	140,027	77.34%
Portfolio of investments	140,027	77.34%
Cash and Cash equivalents	40,017	22.10%
Debtors	1,007	0.56%
Net assets attributable to participating redeemable shareholders	181,051	100.00%

There were no purchases or sales of investments during the year.

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

ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. AUTHORISATION AND STRUCTURE OF THE COMPANY

Zedra PCC (No.1) Limited (the "Company") is authorised by the Guernsey Financial Services Commission as part of The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 under the provision of The Protection of Investors (Bailiwick of Guernsey) Law, 2020 as amended.

The Cell was created and launched on 23 March 2005.

The Company is an open-ended investment Protected Cell Company governed by the provisions of the Companies (Guernsey) Law, 2008.

Persons investing and dealing with a cell of the Company shall only have recourse to, and their interests shall be limited to, the assets from time to time attributable to that cell.

At 31 March 2022, there were eight active cells in the Protected Cell Company. These statements relate to the Zedra PCC (No.1) Limited - Fixed Interest Fund Sterling Class Cell (the "Cell") only.

The shares of the Cell are listed on The International Stock Exchange ("TISE").

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing these financial statements in conformity with FRS 102, the directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The most significant judgements, estimates and assumptions affecting these financial statements are as set out below:

Going concern

After making enquiries based on justifiable assumptions, the directors have a reasonable expectation that the Cell will have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

The directors note that as Zedra Fund Managers (Guernsey) Limited will pay any expense that may arise, as the Cell's Supplementary Offering Memorandum states that the Cell is not to pay any fees or charges; the Cell will be sufficiently liquid to meet any anticipated redemption requests by liquidating investments.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2022.

During 2022, United Kingdom, Europe and the United States of America imposed sanctions on certain Russian high net worth individuals and their companies. Management have assessed the potential impact of these sanctions on the overall results of the Cell in 2022 and future years and have concluded that the impact is immaterial. The Directors are satisfied that there are no other material events subsequent to the year-end that would have an effect on these financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value in accordance with Financial Reporting Standard 102 ("FRS 102") as issued by the Financial Reporting Council.

Functional currency

The 'functional currency' is the currency of the primary economic environment in which the Cell operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. All of the Cell's transactions and ultimate investments are denominated in Pounds Sterling. Shareholders' contributions and distributions are also received and paid in Pounds Sterling. Accordingly, the directors have determined that the functional currency of the Cell is Pounds Sterling.

Financial instruments

The full provisions of section 11: "Basic Financial Instruments" and section 12: "Other Financial Instruments Issues" of FRS 102 have been applied in the recognition and measurement of the investments and the preparation of the financial statements.

Financial assets and financial liabilities are recognised when the Cell becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities that are not subject to fair valuation are included in the Statement of Financial Position at amortised cost.

Financial assets and liabilities

Financial assets, comprising of the loan note, and liabilities are measured at amortised cost. Where financial assets, in the opinion of the directors, require a provision for impairment to the amortised cost value, the movement is included in the Statement of Profit and Loss.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Profit and Loss.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss on assets, the prior impairment loss is tested to determine reversal. An impairment loss is reversed to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the *financial* asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, call deposit accounts and short term liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

Dividends payable

Dividends are recognised when they become legally payable, when they are declared and approved by the directors.

Interest received

Revenue is recognised when the Cell's right to receive payment is established.

Expenses

Due to the low net asset value of this Cell, and minimal administration costs that are required to maintain it, the directors have agreed with the Investment Manager and Administrator that their fees will be waived. Also the Company, Zedra Fund Managers (Guernsey) Limited, will cover all sundry expenses that any third party may raise against this Cell.

Finance costs

Finance costs comprise interest expense on borrowings and are recognised in the Statement of Profit and Loss if applicable.

Taxation

The Protected Cell Company is eligible for exemption from taxation in Guernsey under the provision of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. As such the Protected Cell Company is only liable to pay a fixed annual licence fee which was £1,200 per annum which was paid in full by Zedra Fund Managers Guernsey Limited.

4. INVESTMENTS

The loan note was issued by Bridgemere Securities Limited, a subsidiary of the Zedra PCC (No.1) Limited – Red and Gold Cell on 8 June 2005 to the Zedra PCC (No.1) Limited - Fixed Interest Fund Sterling Class Cell for the principal sum of £140,027. Interest accrues daily in two 6 monthly periods at 2% above the 6 month Sterling Overnight Index Average ("SONIA") rate at noon on 1 December and 1 June each year. The interest rates from 1 June 2021 and 1 December 2021 were 1.98100% and 2.17013% per annum respectively. The loan note is unsecured and repayable on demand. This is disclosed as a non-current asset, as Bridgemere Securities Limited do not intend on calling on the loan.

5. EARNINGS PER SHARE

	Year ended 31 March 2022	Year ended 31 March 2021
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EPS calculation - basic and fully diluted

Earnings in the year	£2,608	£3,113
Weighted average number of shares in issue for the year	2,225,801	2,098,912.463
EPS (Earnings divided by weighted average number of shares)	0.12p	0.15p

Shares in issue

1 April 2021 to 31 March 2022	2,692,686	2,098,912.463
Weighted average number of shares in issue for the year	2,225,801	2,098,912.463

ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND STERLING CLASS CELL

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. BANK FACILITIES

The Cell has its own bank facilities and holds a Sterling call deposit account with the Custodian.

7. AUTHORISED SHARE CAPITAL - PROTECTED CELL COMPANY

31 March 2022 31 March 2021

Authorised

100 Management Shares of £1 each	£100	£100
42,500,000 Unclassified Shares of £0.01 each	£425,000	£425,000
42,500,000 Unclassified Shares of US\$ 0.01 each	US\$425,000	US\$425,000
42,500,000 Unclassified Shares of EUR 0.01 each	EUR425,000	EUR425,000

All issued share capital is fully paid. Shares will not be issued as partly paid.

Unclassified shares may be issued as redeemable participating shares or nominal shares. Nominal shares can only be issued to the Investment Manager. Participating shares carry one vote each.

Management shares are not redeemable, carry one vote each and do not carry any rights to receive dividends. The management shares are not attributable to any specific cell. In a winding up, the surplus of any non-cellular assets shall be distributed among the holders of management shares on a pro-rata basis.

Nominal shares carry no voting rights and do not carry any rights to receive dividends. The shares are only to be issued at par and only for the purpose of providing funds for the redemption of redeemable participating shares. Nominal shares issued for the purpose of redemption of participating shares of a particular cell shall constitute shares in such cell and the proceeds of issue shall constitute assets of such cells.

The holders of nominal shares in any particular cell are entitled on any subscription day by notice to the cell to convert all or any portion of such shares into redeemable participating shares. The cell is entitled to give the holders of nominal shares one month's notice to redeem any such shares in issue out of the shares set aside for such purpose.

In the event of a winding up, the cellular assets available for distribution shall be applied in repayment of the nominal amounts paid up: firstly on the redeemable participating shares of each cell on a pro rata basis and secondly, on nominal shares issued in respect of the cell in question. Any surplus of cellular assets then remaining shall be distributed among the holders of the redeemable participating shares of each cell.

The holders of participating redeemable shares are entitled to redeem their shares upon written notice to the company. The redemption value is calculated by dividing the net asset value of the cell at the next valuation date, less a provision for duties and charges, by the number of shares in issue, rounded to 3 decimal places.

The participating shares of each cell carry the rights to dividends out of the profits of that cell.

The holders of redeemable participating shares have the right from time to time to exchange all or any of such shares for redeemable participating shares of another cell or type.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. AUTHORISED SHARE CAPITAL - PROTECTED CELL COMPANY (CONTINUED)

Subject to any special rights or restrictions for the time being attached to any class of Shares, at general meetings of the Company:

- (a) holders of Nominal Shares shall not be entitled to vote in respect thereof;
- (b) holders of Management Shares and Participating Shares shall be entitled:
 - (i) on a show of hands (if present in person) to one vote;
 - (ii) on a poll (if present in person or by proxy) to one vote in respect of each Share held by him.

The assets available for distribution among the Members upon the winding-up of the Company shall be applied in the following priority:

(1) Cellular Assets

- (a) First, in repayment *pari passu* to the Members of the nominal amount paid up by them on Shares in the Company in the following order of priority: first on Participating Shares and secondly on Nominal Shares;
- (b) Any surplus of cellular assets of the Company then remaining shall be distributed among the holders of each cell of Participating Shares *pro rata* to the number of undivided shares in that cell represented by their respective holdings of such Participating Shares.

(2) Non-Cellular Assets

By distribution among the holders of Management Shares *pro rata* their respective holdings.

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES - CELL

	Year ended 31 March 2022 Shares	Year ended 31 March 2021 Shares
Number of shares in issue		
Participating Redeemable Shares		
Number issued as at start of year	2,098,912.463	2,098,912.463
Issue of shares	593,774.37	-
Number issued as at end of year	<u>2,692,686.833</u>	<u>2,098,912.463</u>

During the year 593,774.37 shares were issued for a cash proceeds of £40,017 and no shares have been redeemed during the period.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to operating cash flows:	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating profit	2,608	3,113
Interest received	(2,608)	(3,113)
Operating cash flow before movement in working capital	-	-
Movement in debtors	(108)	393
Net cash (outflow)/inflow from operating activities	(108)	393

10. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities held at amortised cost

The financial assets and liabilities of the Cell are included in the Statement of Financial Position at amortised cost. The following table categorises the financial assets and liabilities held by the Cell at 31 March 2022 and 31 March 2021:

Assets	31 March 2022 £	31 March 2021 £
Financial assets at amortised cost:		
Unquoted loan note	140,027	140,027
Debtors	1,007	899
Cash and cash equivalents	40,017	-
Total	181,051	140,926

There are no liabilities.

Risk arising from financial instruments

The Cell is potentially exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds. Market risk is comprised of interest rate risk, foreign currency risk and price risk. The following analysis, detailed in this note, highlights the nature and extent of these risks arising from the financial instruments held by the Cell at 31 March 2022 and 31 March 2021.

Credit risk

Default/credit risk is the risk that one party to a financial instrument will fail to discharge an obligation under the contract or arrangement and cause the other party to incur a financial loss. The Cell holds no financial assets that are readily marketable, however the Cell also holds no liabilities; therefore the Cell's risk arises from the unquoted loan note and cash. The directors consider the likelihood of the unquoted loan note defaulting as being very remote as the company that has issued the note is highly solvent. The Directors review their assessment annually and at the same time as any impairment review on the carrying value of the asset. The Cell will only engage banking services from financial entities that have at least triple B long term senior rating, as defined by Standard and Poor, which further reduces the Cell's exposure to credit risk. All the Cell's cash is held with Butterfield Bank (Guernsey) Limited which has a triple B+ long term senior rating as defined by Standard and Poors.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk may arise from the potential inability to sell a financial instrument without undue delay at a price close to its fair value. The unquoted loan note is repayable on demand and the company that has issued the note is highly solvent.

Liquidity risk is also the risk that arises when the maturity of assets and liabilities do not match. The following tables show the maturity profile of each Cell's financial assets and liabilities at the Statement of Financial Position date:

31 March 2022	Less than one year	Between one and five years	More than five years
	£	£	£
Loan note	140,027	-	-
Debtors	1,007	-	-
Cash and cash equivalents	40,017	-	-
Shareholder equity	(181,051)	-	-
Total	-	-	-

31 March 2021	Less than one year	Between one and five years	More than five years
	£	£	£
Loan note	140,027	-	-
Debtors	899	-	-
Shareholder equity	(140,926)	-	-
Total	-	-	-

Market risk

Market price risk is further analysed into interest rate risk, foreign currency risk and price risk.

i) Interest rate risk

The Cell's interest income and corresponding distribution is referenced to the six month Sterling LIBID rate at noon on 1st December and at noon on 1st June each year. With market interest rates currently extremely low, any fluctuation in rates is unlikely to have any material effect on the interest income for the Cell.

ii) Foreign currency risk

The Cell holds all assets and liabilities that are designated in pounds sterling only. Therefore this Cell is not exposed to foreign currency risk.

iii) Price risk

During the year the Cell did not hold investments that could be priced to the Market. As the only material asset is a loan note that is included in the Statement of Financial Position at amortised cost the exposure to price risk is not applicable. However, the directors are aware that the loan note may become impaired and regular reviews are carried out to ensure that an impairment adjustment is not required.

**ZEDRA PCC (NO.1) LIMITED - FIXED INTEREST FUND
STERLING CLASS CELL**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. RELATED PARTY TRANSACTIONS

Zedra PCC (No. 1) Limited

The immediate parent company is Zedra holdings (Guernsey) Limited, a company incorporated in Guernsey. The ultimate parent company is Corsair Capital Partners Group Ltd, a company registered in the Cayman Islands. The ultimate controlling party is Corsair V Financial Services Capital Partners, L.P. a partnership established and registered in the Cayman Islands.

Zedra PCC (No.1) Limited - Fixed Interest Fund Sterling Class Cell

The Cell holds an unquoted loan note which is displayed in the Statement of Financial Position at a value of £140,027 (31 March 2021: £140,027). The loan note was issued by a subsidiary that is held by the Zedra PCC (No.1) Limited - Red and Gold Cell.

The directors of this Cell also serve as directors for all active Cells that form the Protected Cell Company, Zedra PCC (No.1) Limited, Mr. Fitzgerald and Mr. Ritz also act as directors of the Manager.

The directors have agreed that to ensure an acceptable return is provided to the shareholders, all expenses of the Cell are paid by Zedra Fund Managers (Guernsey) Limited.

12. CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party as no one party has the ability to direct the financial and operating policies of the Cell with a view to gaining economic benefits from their direction.

13. SUBSEQUENT EVENTS

In May 2022, Fixed Interest Cell purchased two loan notes which are repayable on demand from Bridgemere Securities Limited amounting to £20,008 and £20,009, respectively. Rose Nominees Limited is the registered holder of both loan notes. The notes shall bear interest bearing at 2% above the 6 month SONIA rate quoted at noon 1st June and 1st December, payable no later than 2 months after 31st May and 30th November each year.

There were no material subsequent events occurring in the period after the reporting date to the date of signing of these financial statements.