

**Guaranteed Investment Products 1 PCC Limited**

**Half-yearly Financial Report  
for the Period 30 September 2019**

**Company Registration No: 42754**

**Guaranteed Investment Products 1 PCC Limited (the “Company”)  
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**Guaranteed Investment Products 1 PCC Limited (the “Company”)  
DIRECTORS’ REPORT  
For the period ended 30 September 2019**

The directors are pleased to present their half-yearly report for the period 30 September 2019.

**INCORPORATION AND STRUCTURE**

Guaranteed Investment Products 1 PCC Limited (the “Company”) is a Guernsey-incorporated, closed-ended, protected cell company incorporated on 26 January 2005. The structure of the Company allows different cells to be created from time to time at the discretion of the directors for the purpose of segregating and protecting the assets of each cell, each with its own investment objective and policy and portfolio of assets. Persons investing in, or dealing with, a cell of the Company only have recourse, and their interests are limited, to the assets attributable to that cell from time to time, and they have no recourse to the assets of any other cell.

The Company has appointed Santander UK plc (“Santander”) as its investment advisor. Throughout these financial statements, references to the “Investment Advisor” refers to Santander.

The Company’s non-cellular equity comprises two Management Shares of £1 each fully paid which are held by Anson Custody Limited and Anson Registrars Limited respectively under a declaration of trust in favour of JTC Fund Solutions (Guernsey) Limited, the Company’s secretary and administrator. Subject to The Companies (Guernsey) Law 2008 (as amended) (the “Law”), on a winding-up, the holders of Management Shares are entitled, after payment of all creditors of the Company and after a return of capital to the holders of Cell Shares and Nominal Shares, to be repaid an amount equal to the amount paid up on the Management Shares and all remaining assets in the Company which are not otherwise attributable to any Cell of the Company.

The Company currently has 22 cells (25 as at 31 March 2019) established in accordance with the “Law”. The Company currently has 488 million issued redeemable participating preference shares of 0.0001 pence each designated as a Protected Cell Guaranteed Share in a particular cell of the Company (the “Shares”). For regulatory purposes the Company is an authorised closed-ended fund in accordance with Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and The Authorised Closed-Ended Investment Schemes Rules 2008.

The Company has an unlimited life but the Shares issued in respect of each protected cell have a maturity date on which they are compulsorily redeemed. On the maturity date of the protected cell shares, shareholders receive the Investment Return per Share attributable to that protected cell. Details of the maturity date for the Shares issued in respect of each protected cell are set out in the securities note for that protected cell which can be found on the Company’s website at <http://www.jtcgroup.com/gipl>. Following the maturity of the Company’s final cell on 31 December 2020 it is envisaged that the Company will be wound-up.

The Company is a self managed, third country alternative investment fund (“AIF”) and as such has chosen to comply with the Alternative Investment Fund Managers Directive (“AIFMD”) by registering all cells launched after 1 July 2014 under the United Kingdom National Private Placement Regime and complying with all relevant reporting requirements in respect of this. By virtue of the relevant cells of the Company having no employees, and being self managed there are no remuneration disclosures to be made pursuant to Article 22 of the AIFMD. There have been no material changes to the information previously provided to investors required to be disclosed under Article 22 of the AIFMD.

**INVESTMENT OBJECTIVE AND POLICY**

The Company’s main objective is to achieve the investment return applicable to Shares issued in respect of each protected cell launched.

The assets of each protected cell are invested in accordance with the investment objectives and policies of that protected cell as set out in the individual cell’s securities note. The only source of funding available to the Company to acquire and/or enter into and/or support the plan investments designed to fund the amounts payable in respect of any protected cell Shares and/or any other amounts payable by the Company in connection with such Shares will derive from the capital contributed by the subscribers of such Shares.

## **Guaranteed Investment Products 1 PCC Limited (the “Company”) DIRECTORS’ REPORT - continued**

The Company and its Directors, in consultation with the Investment Advisor, are responsible for the formulation of the investment policy of each protected cell and any subsequent change to that policy.

It is the intention of the Directors that the investment objectives for each protected cell will be achieved by investing the net issue proceeds of the Shares issued in respect of a cell into an investment plan as set out in the relevant securities note. The investment plan of each cell consists of financial instruments provided, guaranteed and/or issued by Santander or any other person approved by the Company.

The returns on the investment plans are designed to enable the Company to meet its stated investment objective for each protected cell. The investment plans have been structured by the "Investment Advisor" to provide a cell, as at the relevant maturity date, with an amount equal to the aggregate investment return of the Shares issued in respect of that cell. The Company will invest an amount equal to the net issue proceeds of each protected cell in the relevant investment plan on admission to The International Stock Exchange ("TISE") of the relevant Shares.

On the maturity date of a particular cell, Shareholders of that cell will receive an amount equal to the investment return so long as the issuer of the investment plan satisfies its obligation to repay the investment return at the maturity date. If the issuer fails to meet its obligation and thus the Company is unable to meet its obligation to Shareholders, Anson Registrars Limited, as the Guarantee Claims Agent has the contractual obligation to require Santander Guarantee Company (the “Guarantor”) to serve notice on Santander to take all reasonable actions to ensure payment is made to the Shareholders of the protected cell. Any shortfall between the amount the Shareholders receive at the maturity date and the guaranteed return as set out in the relevant securities note is to be met by the Guarantor.

### **RESULTS & DISTRIBUTIONS**

The results of the Company for the Period are set out in an aggregated format on pages 9 - 12. Further information and commentary on the relevant investment performance of all cells is available from the following website <https://clear.santander.co.uk>

The directors did not declare a dividend for any cell during the period.

### **DIRECTORS**

The Company has three directors who are responsible for the implementation of the Company’s investment policy and on-going management.

The current Directors of the Company are:

**Gavin Farrell** – Mr Farrell qualified as a Solicitor of the Supreme Court of England and Wales, a French Avocat and an Advocate of the Royal Court of Guernsey. He is a partner of Ferbrache & Farrell LLC, Advocates & Notaries Public, in Guernsey and specialises in international and structured finance and collective investment schemes. He holds a number of directorships in investment and captive insurance companies. He is resident in Guernsey.

**John Le Prevost** - Mr Le Prevost is the Chairman of Anson Registrars Limited (the Company's Registrar). He is the Chief Executive Officer of Anson Group Limited. He has spent over forty years working in offshore fund, trust and investment businesses during which time he has been a managing director of subsidiaries in Guernsey for County NatWest Investment Management, The Royal Bank of Canada and for Republic National Bank of New York. He is a Full Member of the Society of Trust and Estate Practitioners and in 1991-2 read for a law degree via distance learning and in 2009-11 read for an MBA from Southampton University via the Guernsey Training Agency. He is a non-executive director of a number of London listed investment companies and is a trustee of the Guernsey Sailing Trust. He is resident in Guernsey.

**Paul Meader** – Mr Meader is an independent director of a number of investment management companies, insurers and investment funds. Until 2013, he was Head of Portfolio Management for Canaccord Genuity based in Guernsey, having previously held the role of Chief Executive of Corazon Capital Group which was acquired by Collins Stewart in 2010. Prior to joining Corazon he was Managing Director of Rothschild’s Swiss private-banking subsidiary in Guernsey. Mr Meader has 30 years’ experience in financial markets with particular expertise in fixed income investments. He is a Chartered Fellow of the Chartered Institute of Securities & Investment and is past Chairman of the Guernsey International Business Association. He is resident in Guernsey.

## **Guaranteed Investment Products 1 PCC Limited (the “Company”) DIRECTORS’ REPORT - continued**

### **ADMINISTRATOR & SECRETARY**

JTC Fund Solutions (Guernsey) Limited (the “Secretary”) is a subsidiary of JTC plc. a company admitted to trading on the Main Market of the London Stock Exchange, and provides administration and secretarial services to the Company pursuant to the Administration and Secretarial Agreement dated 28 January 2005.

In such capacity, the Secretary is responsible for the general secretarial duties required by Section 171 of the Law and for ensuring that the Company complies with its continuing obligations as a company listed on TISE. The Secretary is also responsible for the Company’s general administrative functions including the calculation of the net asset value of protected cell Shares and the maintenance of the Company’s accounting records.

### **SUBSTANTIAL INTERESTS**

The Company has been advised that for all protected cells Abbey National Nominees Limited held 100% of the Company’s issued Shares in each cell. As at **28 November 2019**, the Investment Advisor held approximately **6.97** per cent. of the net assets of the Company beneficially. The remainder of the Company’s assets were held non-beneficially. There have been no changes in those holdings as at the date of this report.

### **STATEMENT OF DIRECTORS’ RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable Guernsey Law and generally accepted accounting principles.

Guernsey company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 Company and to enable them to ensure that the accounts comply with the Law. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **CORPORATE GOVERNANCE**

As the Company is an authorised collective investment scheme under the Authorised Closed-Ended Investment Schemes Rules 2008 it must report under the Finance Sector Code of Corporate Governance (the “Code”). At the Board meeting held 22 February 2012, the Board resolved to adopt the Board Governance Review document provided by the Secretary and evaluates its contents on an on-going basis. This document sets out the underlying principles of the Code, areas of compliance and provides explanations where the Company deviates from the provisions of the Code. This enables the Directors of the Company to document their governance practices and as such, the Board believes that the Board Governance Review document is suitable for an investment company of its kind.

The Board meets at least four times a year to consider the affairs of the Company in a prescribed and structured manner. The Board also has regular contact with the Secretary throughout the year. The Directors are kept fully informed of investment and financial controls and any other matters that are relevant to the business of the Company are brought to the attention of the Directors. The Directors also have access, where necessary in the furtherance of their duties, to professional advice at the expense of the Company.

## **Guaranteed Investment Products 1 PCC Limited (the “Company”) DIRECTORS’ REPORT - continued**

The Board 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. When new directors are appointed to the Board, the necessary and appropriate induction is provided by the Board with input from the Administrator and Investment Advisor.

The Company has complied with the main principles of the Code, except those set out below:

- Principle 1.5 (Delegation to Management) is not applicable to the Company as there is no internal executive management of the Company. It was noted that matters were delegated to various service providers and powers and duties in respect thereof were specified within the relevant contractual arrangements.
- Principle 4.2 (Group Policies) is not applicable as while the Company’s accounts are consolidated into Santander UK plc’s accounts, the Board of the Company has the authority to determine its own policies and procedures.
- Principle 8 (Shareholder Relations) is not applicable to the Company due to its distinct structure whereby Banco Santander S.A. is the sole Shareholder of the Company’s cells.

For the reasons set out in the preamble to the Code, the Board considers that these provisions are not relevant to the Company, and so the Company has therefore not reported further.

As per the Company’s Articles of Incorporation the Directors are not subject to re-election by the Shareholders nor are they appointed for specific terms as required by these provisions as this is not felt to be appropriate for the structure and nature of the Company. However, the Board has determined that in order to facilitate good corporate governance practice each of the Directors will offer themselves for re-election every three years.

The Directors place a high degree of importance on ensuring that high standards of corporate governance are maintained within the Company.

### **AUDIT COMMITTEE**

An Audit Committee has been established consisting of Mr Farrell, Mr Le Prevost (Chairman) and Mr Meader. The Audit Committee examines the effectiveness of the Company’s internal control systems, the annual and interim reports and financial statements, the auditors’ remuneration and engagement, as well as the Auditors’ independence and any non-audit services provided by them. The Audit Committee receives information from the Secretary’s compliance department and the external auditors.

### **INTERNAL CONTROLS**

The Board is responsible for the Company’s system of internal control and for reviewing its effectiveness. The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the period under review and up to the date of approval of this half-year financial report. The process is reviewed by the Board on a regular basis.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed.

The internal control systems are designed to meet the Company’s particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Further to a tender process conducted in December 2015, the Board of Directors of the Company identified Ernst & Young LLP as the most appropriate auditor to the Company. Ernst & Young LLP have expressed their willingness to continue in office as Auditors and a resolution for their re-appointment will be put to the management shareholders at the forthcoming General Meeting of the Company to be held pursuant to Section 199 of the Law.

So far as each of the Company’s Directors is aware there is no relevant information of which the Company’s auditor is unaware and each has taken all of the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

**Guaranteed Investment Products 1 PCC Limited (the “Company”)  
DIRECTORS’ REPORT - continued**

**AUDITORS**

**GOING CONCERN**

The Company’s financial position, cash flows and liquidity position are set out in the financial statements and the Company’s financial risk management objectives and policies are set out at the notes to the financial statements on pages 13 - 37.

As disclosed in the notes to the financial statements, the only financial commitments of the Company are its on-going operating expenses and obligations to the Shareholders on the redemption of their cell Shares. Save for its own fee and the Marketing Agent’s fee, the Investment Advisor has agreed to meet all other costs and expenses relating to the operation of the Company, any cells currently established or created in the future, the cost of listing any Shares on the TISE, the costs associated with the termination of each cell and the liquidation of the Company, including the initial launch costs and on-going costs.

The Company has access in the event of an insolvency event on the part of the Investment Advisor or in the event that the Investment Advisor has refused to meet a cost or expense incurred, to a £125,000 reserve to meet the costs associated with the operation of the Company.

Upon the redemption of the Shares of a cell, the holders of such Shares shall only be entitled to the Investment Plan Return of such Shares. This is calculated by reference to the proceeds received under the relevant contract entered into between the Company acting on behalf of the relevant cell and the issuer of the investment plan on the maturity or termination of the contract.

Given the nature of the Company and its investments, the Directors are satisfied that it will be appropriate to continue to adopt the going concern basis in preparing the financial statements for the next twelve months.

On behalf of the Board

John Le Prevost  
Director

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**Guaranteed Investment Products 1 PCC Limited (the “Company”)  
SHAREHOLDER INFORMATION**

The Company announces the net asset value per protected cell Share on TISE on a monthly basis.

The Company's register of shareholders is maintained by Anson Registrars Limited in Guernsey and they can be contacted on +44 (0) 1481 711301.

The Directors are always available to enter into dialogue with investors and are willing to meet the major investors in the Company, as the Company believes such communication to be important. The Company's Directors can be contacted at the Company's registered office.

**Guaranteed Investment Products 1 PCC Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the period ended 30 September 2019**

	<b>Notes</b>	<b>Period ended 30 September 2019 Total GBP</b>	<b>Year ended 30 September 2018 Total GBP</b>
Unrealised gain on investments	4	10,764,573	27,310,802
Unrealised loss on investments	4	(5,078,008)	(11,486,714)
Realised gains on investments	4	<u>5,190,824</u>	<u>11,549,983</u>
Net gain on investments		10,877,389	27,374,072
Profit for the period attributable to holders of shares		<u><u>10,877,389</u></u>	<u><u>27,374,072</u></u>

The profit for the period attributable to holders of shares is also the total comprehensive income for the period.

The notes on pages 13 to 29 form an integral part of these financial statements

**Guaranteed Investment Products 1 PCC Limited**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2019**

	Notes	As at 30 September 2019 Total GBP	As at 31 March 2019 Total GBP
<b>NON CURRENT ASSETS</b>			
Investments	4	438,650,135	538,868,192
<b>CURRENT ASSETS</b>			
Investments	4	143,835,925	74,523,176
Receivables		-	5,388
Cash and cash equivalents		125,336	119,614
		<u>143,961,261</u>	<u>74,648,178</u>
<b>CURRENT LIABILITIES</b>			
Emergency fund from Santander		(125,336)	(125,000)
		<u>(125,336)</u>	<u>(125,000)</u>
		<u>582,486,060</u>	<u>613,391,370</u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF PROTECTED CELL GUARANTEED SHARES</b>			
Non Current	3	438,650,134	538,868,192
Current	3	143,835,924	74,523,176
		<u>582,486,058</u>	<u>613,391,368</u>
<b>EQUITY</b>			
Management Shares	3	<u>2</u>	<u>2</u>
		<u>582,486,060</u>	<u>613,391,370</u>

The financial statements on pages 9 to 29 were approved and authorised for issue by the Board of directors on 28 November 2019 and were signed on its behalf by:

John Le Prevost  
Director

The notes on pages 13 to 29 form an integral part of these financial statements

**Guaranteed Investment Products 1 PCC Limited**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PROTECTED CELL**  
**GUARANTEED SHARES**  
**For the period ended 30 September 2019**

	<b>Notes</b>	<b>Period ended 30 September 2019 Total GBP</b>	<b>Year ended 31 March 2019 Total GBP</b>
Opening balance		613,391,368	749,349,816
Reduction in capital on redemption of Shares	5	(39)	(138)
Reduction in premium on redemption of Shares	6	(38,179,889)	(136,216,844)
Reduction in other reserves on redemption of Shares	6	(3,602,769)	(32,080,966)
Profit for the period/year attributable to holders of Shares		10,877,389	32,339,500
Balance at period/year end		582,486,060	613,391,368

IAS 7 Statement of Cash Flows now requires a reconciliation of changes in financing liabilities split between cash and non-cash elements. Given the only significant liabilities of the Company are its shares, this information is already presented in the Statement of Net Assets Attributable to Holders of Protected Cell Guaranteed Shares.

The notes on pages 13 to 29 form an integral part of these financial statements

**Guaranteed Investment Products 1 PCC Limited**  
**STATEMENT OF CASH FLOWS**  
**For the period ended 30 September 2019**

	<b>Period ended 30 September 2019 Total GBP</b>	<b>Year ended 30 September 2018 Total GBP</b>
<b>Operating activities</b>		
Profit for the period/year attributable to holders of shares	10,877,389	27,374,072
Realised gains on investments	(5,190,824)	(11,549,983)
Unrealised gains on investments	(10,764,573)	(27,310,802)
Unrealised losses on investments	5,078,008	11,486,714
Movement in receivables and payables during the period/year	5,722	-
Net cash flow used in operating activities	<u>5,722</u>	<u>0</u>
<b>Investing activities</b>		
Proceeds of maturity of financial assets	<u>41,782,697</u>	<u>35,060,249</u>
Net cash flow from investing activities	41,782,697	35,060,249
<b>Financing activities</b>		
Redemption of Shares	<u>(41,782,697)</u>	<u>(35,060,249)</u>
Net cash flow used in financing activities	(41,782,697)	(35,060,249)
Decrease in cash and cash equivalents	<u>5,722</u>	<u>0</u>
Cash and cash equivalents at beginning of period/year	119,614	125,002
Decrease in cash and cash equivalents	<u>5,722</u>	<u>-</u>
Cash and cash equivalents at end of period/year	<u>125,336</u>	<u>125,002</u>

The notes on pages 13 to 29 form an integral part of these financial statements

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") and applicable Guernsey law. The financial statements give a true and fair view, comply with the Companies (Guernsey) Law, 2008 and have been prepared on a historical cost basis except for the measurement at fair value of financial instruments.

The financial statements are expressed in pounds Sterling, which is the functional and presentation currency of the Company.

**(b) Investment Advisor's Fees**

Investment Advisor's fees are paid at the inception of the cell to which they relate, and are charged to the Statement of Comprehensive Income on the date paid.

**(c) Taxation**

The Company has been granted exemption from Guernsey Income Tax under the Income Tax (Exempt Bodies) (Guernsey) (Amendment) Ordinance, 2012. The annual tax exempt fee is £1,200.

**(d) Investments**

Per IFRS 9 these investments are mandatorily classified as "fair value through profit and loss", because the financial instrument contains one or more embedded derivatives, which significantly modify the cash flows that would otherwise be required by the contract. Investments are initially recognised at cost, being the fair value of the consideration given, excluding transaction costs associated with the investment. After initial recognition, investments are measured at fair value, with unrealised gains and losses on investments recognised in the Statement of Comprehensive Income. As detailed in note 2, the fair value of the investments is calculated based on valuations provided by the Issuer at the close of business on the reporting date. Investments are derecognised when the rights to cash flows from the investments have expired or substantially all risks and rewards of ownership have been transferred. Upon derecognition any previously recognised unrealised gain or loss is reversed in the current period's "unrealised gain on investments" and recognised in the "realised gain" along with any additional gain or loss recognised in the period. The "net gain on investments" shows the total gain or loss recognised in the current period/year.

**(e) Cash and Cash Equivalents**

At the reporting date cash and cash equivalents comprised cash at bank.

**(f) Shares**

As the Company's Shares mature on fixed dates and have non-identical features, they are classified in the financial statements as debt in accordance with IAS 32 Financial Instruments: Presentation. Whilst classified as liabilities, each Cell issues share capital and share premium in accordance with Guernsey Company Law. At the maturity date of a Cell, the liability due to Cell holders is de-recognised from the Statement of Financial Position, through a reduction in the net assets attributable to holders of shares, which represents a combination of initial proceeds and any further amounts included in the reserves since the date of issue. Management shares are classified as equity in the financial statements in accordance with IAS 32.

**(g) Net Asset Value**

The Net Asset Value per Share calculated in accordance with IFRS is based on net assets of the relevant protected cell as at 30 September 2019, as detailed in Note 3 to the Financial Statements.

**(h) Share premium**

The Company records proceeds from issues of shares in excess of their nominal value in share premium account. When Shares are redeemed, the redemption amount net of nominal value is debited to share premium account. The Cells are offered over a period of time before launch and proceeds collected from investors throughout that period.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) IFRS 9 'Financial Instruments'**

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

**Financial assets**

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset

*Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash and trade and other receivables.

*Financial asset measured at fair value through profit or loss (FVPL)*

A financial asset is measured at fair value through profit or loss if:

- a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) it is classified as held for trading (derivative contracts in an asset position).

The Company includes in this category equity instruments and investments. There are no consolidated subsidiaries.

**Financial liabilities**

*Financial liabilities measured at fair value through profit or loss (FVPL)*

A financial liability is measured at FVPL if it meets the definition of held for trading of which the Company had none. The Company includes in this category, derivative contracts in a liability position.

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss, including short-term payables.

**Recognition and derecognition**

Financial assets and liabilities are recognised on trade date, when the company becomes party to the contractual provisions of the instrument. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**Impairment of financial assets**

The Company holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Impairment of financial assets (continued)***

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix based on historical observed loss rates over the expected life of the receivables and is adjusted for forward looking estimates.

**(j) *New and revised standard and interpretations***

There are no further standards, amendments or interpretations in issue at the reporting date which have been issued but are not yet effective and that are deemed to be material to the Company.

**2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these financial statements, the Board has made critical accounting estimates and judgements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities after the financial period relate to the fair valuation of the derivative financial instruments as outlined below:

**(a) Accounting estimates**

**Fair value of derivative financial instruments**

The Company holds investments which are tailored to meet the Company's needs. As the investments are not traded in an active market, the fair value of such instruments is determined by using valuation techniques, the inputs are described in Note 4. The fair value is calculated monthly by the "Investment Advisor" (or any other party to a Plan Investment, save for the Company)). As at the reporting date, an independent check of the valuations of the investments is performed by Future Value Consultants (the "Valuation Agent"), an independent third party.

**(b) Going concern**

The Company has entered into an arrangement with the Investment Advisor whereby, save for its own fee and any fee payable to the Marketing Agent, the Investment Advisor shall meet all costs and expenses relating to the establishment, launch and operation of the Company, the Cells and the cost of listing any Shares of the Cells on the TISE.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future and is well placed to manage its business risks successfully. It is the board of directors' judgement that it is appropriate to adopt the going concern basis in preparing these financial statements as the board recognise that the counterparty to each investment held for each protected cell, the shareholders' guarantor for each protected cell and the Investment Advisor are all ultimately owned by Santander (UK) Plc., which, at the date of this report has a credit rating of Aa3 as rated by Moody's.

The Company has seen a number of its cells, each of which had a fixed life, redeem during the period. Additionally, in the course of the period, the Investment Advisor advised and the Board decided that it did not intend to launch any new cells. The last cell in the Company is due to mature at the end of December, 2020.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**3 NET ASSET VALUE PER SHARE**

	As at 30 September 2019			As at 31 March 2019		
	Net assets attributable to holders of Shares	Shares in issue	NAV per Share	Net assets attributable to holders of Shares	Shares in issue	NAV per Share
	GBP	Note 5	Pence	GBP	Note 5	Pence
Cell 240	-	-	-	20,630,187	18,773,489	109.89
Cell 242	-	-	-	9,072,289	8,274,616	109.64
Cell 244	-	-	-	11,967,404	11,138,686	107.44
Cell 247	17,071,810	15,180,340	112.46	16,786,420	15,180,340	110.58
Cell 248	8,454,812	6,697,942	126.23	8,160,773	6,697,942	121.84
Cell 249	8,190,523	6,629,855	123.54	7,906,102	6,629,855	119.25
Cell 250	11,745,132	10,163,666	115.56	11,490,024	10,163,666	113.05
Cell 251	21,978,287	18,780,045	117.03	21,414,885	18,780,045	114.03
Cell 252	76,395,360	59,739,881	127.88	73,742,909	59,739,881	123.44
Cell 253	64,751,169	50,186,924	129.02	63,280,692	50,186,924	126.09
Cell 254	39,902,006	31,503,242	126.66	39,174,281	31,503,242	124.35
Cell 256	39,800,791	33,703,778	118.09	39,173,901	33,703,778	116.23
Cell 258	7,325,459	6,350,636	115.35	7,211,782	6,350,636	113.56
Cell 259	28,608,416	24,111,602	118.65	28,109,306	24,111,602	116.58
Cell 260	35,901,734	31,067,613	115.56	35,376,691	31,067,613	113.87
Cell 261	20,751,314	17,882,897	116.04	20,475,917	17,882,897	114.50
Cell 262	40,493,662	34,045,453	118.94	39,897,866	34,045,453	117.19
Cell 263	49,129,013	40,876,124	120.19	48,507,696	40,876,124	118.67
Cell 264	33,675,390	29,058,064	115.89	33,422,585	29,058,064	115.02
Cell 265	30,266,523	26,123,358	115.86	29,819,813	26,123,358	114.15
Cell 266	3,638,781	3,362,703	108.21	3,612,888	3,362,703	107.44
Cell 267	8,859,095	8,312,155	106.58	8,795,091	8,312,155	105.81
Cell 268	4,177,002	3,969,402	105.23	4,148,025	3,969,402	104.50
Cell 269	18,884,685	18,336,426	102.99	18,765,498	18,336,426	102.34
Cell 270	12,485,094	12,252,302	101.90	12,448,343	12,252,302	101.60
	<u>582,486,058</u>	<u>488,334,408</u>		<u>613,391,368</u>	<u>526,521,199</u>	
Management Fund	2	2		2	2	
<b>TOTAL</b>	<u><u>582,486,060</u></u>	<u><u>488,334,410</u></u>		<u><u>613,391,370</u></u>	<u><u>526,521,201</u></u>	
Non Current	438,650,134			538,868,192		
Current	<u>143,835,924</u>			<u>74,523,176</u>		
	<u>582,486,058</u>			<u>613,391,368</u>		

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**4 INVESTMENTS**

	<b>As at 30 September 2019 Total GBP</b>	<b>As at 31 March 2019 Total GBP</b>
Opening portfolio cost	520,350,450	653,830,805
Opening unrealised gain on valuation	93,040,918	95,519,011
Opening valuation	<u>613,391,368</u>	<u>749,349,816</u>
Purchases at cost	-	-
Proceeds of maturity of financial assets	(41,782,697)	(168,297,948)
Realised gain for the period/year	5,190,824	34,817,593
Unrealised gain for the period/year	10,764,573	28,837,067
Unrealised loss for the period/year	(5,078,008)	(31,315,160)
Total	<u>582,486,060</u>	<u>613,391,368</u>
Closing portfolio cost	483,758,577	520,350,450
Closing unrealised gain on valuation	98,727,483	93,040,918
<b>Closing valuation</b>	<u>582,486,060</u>	<u>613,391,368</u>
<b>Minimum return</b>	494,346,812	530,673,069
<b>Value of derivative</b>	88,139,248	82,738,950
	<u>582,486,060</u>	<u>613,412,019</u>
<b>Non Current Investments</b>	438,650,135	538,868,192
<b>Current Investments</b>	143,835,925	74,523,176
	<u>582,486,060</u>	<u>613,391,368</u>

IFRS 13 requires fair value to be disclosed by the source of inputs, using a three-level hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);

Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Investments entered into by the Company are index linked and valued using a combination of cash flow modelling, Black Scholes and other relevant option models, as well as other conventional finance techniques, and take into account the following criteria:

- minimum and maximum return thresholds contracted by each cell at its inception date
- direct market data on the performance of the Index to which the relevant cell is linked
- indirect market data on the volatility related to the Index to which the relevant cell is linked
- time remaining until the maturity date of the cell
- any accrued interest receivable as at the valuation date
- direct market data on the interest yield curves
- discount rate derived from market data on the Counterparty's cost of capital

Carrying value of the investments is an approximation of the fair value.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**4 INVESTMENTS (continued)**

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value in its entirety. If a fair value measurement uses significant unobservable inputs, or observable inputs that require significant adjustments based on unobservable inputs, then that measurement is deemed a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. At year end, all investments held by the Company and net assets attributable to holders of shares, have been classified as Level 2 in accordance with the fair value hierarchy. The fair value measurement of investments uses inputs that are observable to determine the fair value of the investments. There have been no transfers between levels of the fair value hierarchy during the period/year.

**5 SHARE CAPITAL**

The Company may issue an unlimited number of shares. Such shares may be issued as Cell Shares or Nominal Shares (or share of any other denomination as the directors may determine).

**30 September 2019**

	Number of Shares issued as at 31 March 2019	Number of Shares Issued / (Redeemed)	Number of Shares issued as at 30 September 2019
<b>Allotted, called-up and fully paid Guaranteed Shares</b>			
Cell 240	18,773,489	(18,773,489)	-
Cell 242	8,274,616	(8,274,616)	-
Cell 244	11,138,686	(11,138,686)	-
Cell 247	15,180,340	-	15,180,340
Cell 248	6,697,942	-	6,697,942
Cell 249	6,629,855	-	6,629,855
Cell 250	10,163,666	-	10,163,666
Cell 251	18,780,045	-	18,780,045
Cell 252	59,739,881	-	59,739,881
Cell 253	50,186,924	-	50,186,924
Cell 254	31,503,242	-	31,503,242
Cell 256	33,703,778	-	33,703,778
Cell 258	6,350,636	-	6,350,636
Cell 259	24,111,602	-	24,111,602
Cell 260	31,067,613	-	31,067,613
Cell 261	17,882,897	-	17,882,897
Cell 262	34,045,453	-	34,045,453
Cell 263	40,876,124	-	40,876,124
Cell 264	29,058,064	-	29,058,064
Cell 265	26,123,358	-	26,123,358
Cell 266	3,362,703	-	3,362,703
Cell 267	8,312,155	-	8,312,155
Cell 268	3,969,402	-	3,969,402
Cell 269	18,336,426	-	18,336,426
Cell 270	12,252,302	-	12,252,302
Management Shares	2	-	2
<b>TOTAL</b>	<b>526,521,201</b>	<b>(38,186,791)</b>	<b>488,334,410</b>

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**5 SHARE CAPITAL (continued)**

	Fund GBP	Management Shares GBP	TOTAL GBP
<b>2019 Authorised</b>			
10,000,000,000 Unclassified Shares of 0.0001p each	100,000	-	100,000
100 Management Shares of £1 each	-	100	100
	<u>100,000</u>	<u>100</u>	<u>100,100</u>

**31 March 2019**

	Number of Shares issued as at 31 March 2018	Number of Shares Issued / (Redeemed)	Number of Shares issued as at 31 March 2019
<b>Allotted, called-up and fully paid Guaranteed Shares</b>			
Cell 224	5,596,068	(5,596,068)	-
Cell 226	6,873,972	(6,873,972)	-
Cell 228	4,770,981	(4,770,981)	-
Cell 230	6,897,275	(6,897,275)	-
Cell 232	16,877,656	(16,877,656)	-
Cell 234	3,507,511	(3,507,511)	-
Cell 236	28,336,086	(28,336,086)	-
Cell 238	589,374	(589,374)	-
Cell 240	18,773,489	-	18,773,489
Cell 242	8,274,616	-	8,274,616
Cell 244	11,138,686	-	11,138,686
Cell 246	13,823,487	(13,823,487)	-
Cell 247	15,180,340	-	15,180,340
Cell 248	6,697,942	-	6,697,942
Cell 249	6,629,855	-	6,629,855
Cell 250	10,163,666	-	10,163,666
Cell 251	18,780,045	-	18,780,045
Cell 252	59,739,881	-	59,739,881
Cell 253	50,186,924	-	50,186,924
Cell 254	31,503,242	-	31,503,242
Cell 255	29,579,253	(29,579,253)	-
Cell 256	33,703,778	-	33,703,778
Cell 257	19,406,152	(19,406,152)	-
Cell 258	6,350,636	-	6,350,636
Cell 259	24,111,602	-	24,111,602
Cell 260	31,067,613	-	31,067,613
Cell 261	17,882,897	-	17,882,897
Cell 262	34,045,453	-	34,045,453
Cell 263	40,876,124	-	40,876,124
Cell 264	29,058,064	-	29,058,064
Cell 265	26,123,358	-	26,123,358
Cell 266	3,362,703	-	3,362,703
Cell 267	8,312,155	-	8,312,155

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**5 SHARE CAPITAL (continued)**

	Number of Shares issued as at 31 March 2018	Number of Shares Issued / (Redeemed)	Number of Shares issued as at 31 March 2019
<b>Allotted, called-up and fully paid Guaranteed Shares</b>			
Cell 268	3,969,402	-	3,969,402
Cell 269	18,336,426	-	18,336,426
Cell 270	12,252,302	-	12,252,302
<b>Management Shares</b>	2	-	2
<b>TOTAL</b>	<b>662,779,016</b>	<b>(136,257,815)</b>	<b>526,521,201</b>

**30 September 2019**

	Issued Share capital as at 31 March 2019	Shares Issued / (Redeemed)	Issued Share capital as at 30 September 2019
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>Allotted, called-up and fully paid Guaranteed Shares</b>			
Cell 240	19	(19)	-
Cell 242	9	(9)	-
Cell 244	11	(11)	-
Cell 247	15	-	15
Cell 248	7	-	7
Cell 249	7	-	7
Cell 250	10	-	10
Cell 251	19	-	19
Cell 252	60	-	60
Cell 253	50	-	50
Cell 254	32	-	32
Cell 256	34	-	34
Cell 258	6	-	6
Cell 259	24	-	24
Cell 260	31	-	31
Cell 261	18	-	18
Cell 262	34	-	34
Cell 263	41	-	41
Cell 264	29	-	29
Cell 265	26	-	26
Cell 266	3	-	3
Cell 267	8	-	8
Cell 268	4	-	4
Cell 269	18	-	18
Cell 270	12	-	12
<b>Management Shares</b>	2	-	2
<b>TOTAL</b>	<b>529</b>	<b>(39)</b>	<b>490</b>

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**5 SHARE CAPITAL (continued)**

**31 March 2019**

	Issued Share capital as at 31 March 2018	Shares Issued / (Redeemed)	Issued Share capital as at 31 March 2019
<b>Allotted, called-up and fully paid Guaranteed Shares</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Cell 224	6	(6)	-
Cell 226	7	(7)	-
Cell 228	5	(5)	-
Cell 230	7	(7)	-
Cell 232	17	(17)	-
Cell 234	4	(4)	-
Cell 236	28	(28)	-
Cell 238	1	(1)	-
Cell 240	19	-	19
Cell 242	9	-	9
Cell 244	11	-	11
Cell 246	14	(14)	-
Cell 247	15	-	15
Cell 248	7	-	7
Cell 249	7	-	7
Cell 250	10	-	10
Cell 251	19	-	19
Cell 252	60	-	60
Cell 253	50	-	50
Cell 254	32	-	32
Cell 255	30	(30)	-
Cell 256	34	-	34
Cell 257	19	(19)	-
Cell 258	6	-	6
Cell 259	24	-	24
Cell 260	31	-	31
Cell 261	18	-	18
Cell 262	34	-	34
Cell 263	41	-	41
Cell 264	29	-	29
Cell 265	26	-	26
Cell 266	3	-	3
Cell 267	8	-	8
Cell 268	4	-	4
Cell 269	18	-	18
Cell 270	12	-	12
Management Shares	2	-	2
<b>TOTAL</b>	<b>667</b>	<b>(138)</b>	<b>529</b>

Management shares are not entitled to receive and shall not participate in any dividends or other distributions out of the profits of the Company. The holders of the Management shares shall be entitled to receive notice of and to attend and vote at general meetings. The Management shares are not redeemable.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**5 SHARE CAPITAL (continued)**

Shares held in Cells 247 to 254, 256, 258 to 270 shall not be entitled to receive and shall not participate in any dividends or other distributions out of the profits of the Company. On their respective redemption dates the holders of Shares shall be entitled to an amount equal to the Net Asset Value per Share. As disclosed in the Securities Note for each cell, the Shares of the relevant cell will be compulsorily redeemed by the Company on their respective Redemption Dates. The holders of the Shares shall be entitled to receive notice of and to attend and vote at separate general meetings in relation to that Share.

As at 31 March 2019 there were no cells in the offer period. Share capital is accounted for once the offer period ends.

**6 SHARE PREMIUM**

**30 September 2019**

	Share premium as at 31 March 2019	Share premium on Protected Cell Guaranteed Shares	Share premium as at 30 September 2019
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Cell 240	18,769,038	(18,769,038)	-
Cell 242	8,273,472	(8,273,472)	-
Cell 244	11,137,379	(11,137,379)	-
Cell 247	15,177,775	-	15,177,775
Cell 248	6,697,719	-	6,697,719
Cell 249	6,629,621	-	6,629,621
Cell 250	10,162,691	-	10,162,691
Cell 251	18,776,546	-	18,776,546
Cell 252	59,724,029	-	59,724,029
Cell 253	50,174,266	-	50,174,266
Cell 254	31,497,602	-	31,497,602
Cell 256	33,693,467	-	33,693,467
Cell 258	6,348,434	-	6,348,434
Cell 259	24,107,260	-	24,107,260
Cell 260	31,061,165	-	31,061,165
Cell 261	17,879,200	-	17,879,200
Cell 262	34,037,207	-	34,037,207
Cell 263	40,861,908	-	40,861,908
Cell 264	29,049,296	-	29,049,296
Cell 265	22,471,468	-	22,471,468
Cell 266	3,362,133	-	3,362,133
Cell 267	8,311,703	-	8,311,703
Cell 268	3,969,271	-	3,969,271
Cell 269	18,333,337	-	18,333,337
Cell 270	12,248,747	-	12,248,747
<b>TOTAL</b>	<b>522,754,734</b>	<b>(38,179,889)</b>	<b>484,574,844</b>

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**6 SHARE PREMIUM (continued)**

**31 March 2019**

	Share premium as at 31 March 2018	Share premium on Protected Cell Guaranteed Shares	Share premium as at 31 March 2019
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Cell 224	5,593,806	(5,593,806)	-
Cell 226	6,871,727	(6,871,727)	-
Cell 228	4,769,963	(4,769,963)	-
Cell 230	6,895,605	(6,895,605)	-
Cell 232	16,870,149	(16,870,149)	-
Cell 234	3,506,400	(3,506,400)	-
Cell 236	28,325,083	(28,325,083)	-
Cell 238	589,290	(589,290)	-
Cell 240	18,769,038	-	18,769,038
Cell 242	8,273,472	-	8,273,472
Cell 244	11,137,379	-	11,137,379
Cell 246	13,822,132	(13,822,132)	-
Cell 247	15,177,775	-	15,177,775
Cell 248	6,697,719	-	6,697,719
Cell 249	6,629,621	-	6,629,621
Cell 250	10,162,691	-	10,162,691
Cell 251	18,776,546	-	18,776,546
Cell 252	59,724,029	-	59,724,029
Cell 253	50,174,266	-	50,174,266
Cell 254	31,497,602	-	31,497,602
Cell 255	29,573,346	(29,573,346)	-
Cell 256	33,693,467	-	33,693,467
Cell 257	19,399,343	(19,399,343)	-
Cell 258	6,348,434	-	6,348,434
Cell 259	24,107,260	-	24,107,260
Cell 260	31,061,165	-	31,061,165
Cell 261	17,879,200	-	17,879,200
Cell 262	34,037,207	-	34,037,207
Cell 263	40,861,908	-	40,861,908
Cell 264	29,049,296	-	29,049,296
Cell 265	22,471,468	-	22,471,468
Cell 266	3,362,133	-	3,362,133
Cell 267	8,311,703	-	8,311,703
Cell 268	3,969,271	-	3,969,271
Cell 269	18,333,337	-	18,333,337
Cell 270	12,248,747	-	12,248,747
<b>TOTAL</b>	<b>658,971,578</b>	<b>(136,216,844)</b>	<b>522,754,734</b>

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**6 SHARE PREMIUM (continued)**

	<b>30 September 2019</b>	<b>31 March 2019</b>
<b>Movement in Other Reserves on redemption of shares</b>		
Opening Balance	90,636,106	90,377,572
On redemption	(3,602,769)	(32,080,966)
Profit for period/year	10,877,389	32,339,500
Carried Forward	<u>97,910,726</u>	<u>90,636,106</u>

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement, monitoring and, where possible, mitigation of risks. A risk matrix has been established by the Board and is reviewed quarterly. The main risks arising from the Company's financial instruments are market price risk, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks and these are summarised below. There is no significant interest rate risk or foreign exchange risk as none of the Company's significant financial instruments are interest bearing and all exposures or positions are GBP denominated.

**(a) Market Price Risk**

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The principal components of market risk for the Company relates to the risk of adverse movements in the value of the market price of the index underlying each Cell Investment Plan. The Investment Counterparty actively monitors market prices and reports to the Board as to the appropriateness of the prices used for valuation purposes. All cells have a minimum return at maturity, although this value is not assured during the life of the Cell prior to maturity.

*Price sensitivity*

If market prices as at 30 September 2019 had been 10% higher or lower, and assuming these values were to remain unchanged through to the end of the life of the Cells, with all the other variables held constant, the increase or decrease in net assets attributable to holders of Shares on the Maturity Date would have been as stated below, arising due to the increase or decrease in the fair value of financial assets at fair value through profit or loss. For most of the Cells, the effect of movements in the FTSE100 Index have been used in these sensitivity calculations as the FTSE100 Index is considered to be the market whose movements would have the greatest effect on the market price of each Cell's investments.

This can be summarised in the following table:

<b>Index</b>	<b>30 September 2019</b>	
	<b>Number of Cells</b>	<b>Total Market Value GBP</b>
FTSE 100	22	<u>582,486,060</u>
<b>TOTAL</b>		<u><u>582,486,060</u></u>
<b>Index</b>	<b>31 March 2019</b>	
	<b>Number of Cells</b>	<b>Total Market Value GBP</b>
FTSE 100	25	<u>613,391,368</u>
<b>TOTAL</b>		<u><u>613,391,368</u></u>

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(a) Market Price Risk (continued)**

The European Regulation on indexes used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the EU BMR) applies from 1 January 2018.

The EU BMR introduces a common framework to ensure the accuracy and integrity of indexes used as benchmarks in the European Union. The EU BMR applies to the:

- provision of benchmarks
- contribution of input data to a benchmark
- use of a benchmark within the European Union

Under the EU BMR, only the following types of benchmarks may be used by supervised entities within the European Union:

- Benchmarks that are provided by EU based administrators who have been granted authorisation or registration under the EU BMR and who are identified on the register to be maintained by the European Securities and Markets Association (ESMA)
- Benchmarks that have been entered onto the ESMA register which are provided by third country administrators who have either:
  - satisfied the requirements for equivalence, or
  - acquired recognition under the EU BMR, or
  - successfully sought endorsement from an EU authorised or registered administrator or other supervised entity for specific benchmarks.

The UK's Financial Conduct Authority (FCA) has granted FTSE International Limited authorization as a benchmark administrator under the European benchmark regulation (EU BMR). FTSE International Limited is listed on the FCA register and appears on the ESMA register for administrators.

The following table details each Cell's sensitivity to a 10% increase and decrease in the index levels affecting its investments.

Cell	Increase in net assets attributable to holders of Shares		Decrease in net assets attributable to holders of Shares	
	Period ended 30 September 2019	Year ended 31 March 2019	Period ended 30 September 2019	Year ended 31 March 2019
	GBP	GBP	GBP	GBP
Cell 240	-	20,651	-	20,651
Cell 242	-	221	-	-
Cell 244	-	225,273	-	(10,484)
Cell 247	678,270	1,379,719	(699,403)	(789,629)
Cell 248	947,996	985,472	(977,316)	(874,471)
Cell 249	1,037,476	919,808	(1,196,251)	(750,416)
Cell 250	1,135,632	1,273,323	(1,780,556)	(850,241)
Cell 251	2,150,327	2,281,278	(3,047,690)	(1,626,609)
Cell 252	5,895,169	3,398,580	(2,872,556)	(4,986,538)
Cell 253	4,016,532	2,212,488	(2,068,300)	(3,488,163)
Cell 254	2,033,287	1,118,209	(1,066,839)	(1,822,392)
Cell 256	2,430,555	1,500,050	(1,636,196)	(2,009,448)
Cell 258	362,933	214,675	(228,948)	(294,906)
Cell 259	1,731,279	1,024,052	(1,092,139)	(1,406,774)
Cell 260	1,266,776	706,866	(688,672)	(1,119,212)
Cell 261	509,847	268,819	(240,713)	(475,981)

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(a) Market Price Risk (continued)**

	Increase in net assets attributable to holders of Shares		Decrease in net assets attributable to holders of Shares	
	Period ended 30 September 2019	Year ended 31 March 2019	Period ended 30 September 2019	Year ended 31 March 2019
Cell 262	1,133,328	598,800	(513,968)	(1,062,781)
Cell 263	3,275,044	2,397,342	(2,759,763)	(2,811,130)
Cell 264	2,169,359	1,903,051	(2,250,483)	(1,913,290)
Cell 265	1,036,473	570,831	(547,482)	(918,072)
Cell 266	147,624	130,106	(159,086)	(126,793)
Cell 267	295,004	254,159	(314,776)	(249,299)
Cell 268	115,590	100,840	(129,386)	(95,135)
Cell 269	322,857	325,493	(411,750)	(284,201)
Cell 270	247,336	326,050	(406,568)	(242,424)
Total	32,938,694	24,136,156	(25,088,841)	(28,187,738)

**(b) Credit Risk**

Credit risk is the risk that the Investment Counterparty does not meet a commitment that it has entered into with the Company. At the date of this report all investments were issued by one counterparty, being Santander UK plc ("Santander"), which held a credit rating of Aa3 using the Moody's credit ratings. Such concentration of risk is monitored by the directors regularly observing the credit rating of Santander. The maximum credit risk of the Company in relation to Santander as at 30 September 2019 is £582,486,058 (31 March 2019 : £613,391,368).

The allotments from new investees during a cell's offer period are held with only one bank, being Royal Bank of Scotland International Limited, the ultimate parent company of which holds a long term credit rating of Baa2 using the Moody's credit rating system. The maximum credit risk of the Company in relation to the Royal Bank of Scotland International Limited as at 30 September 2019 is £125,336 (31 March 2019 : £119,614).

All returns on the Equity Index Swap Transactions have a guaranteed minimum level and a maximum level based on the performance of the FTSE 100 Index over the life of the Cell, as relevant and as identified in Note 7a. The table below sets out the guaranteed and maximum amounts of each cell at maturity date together with an "undiscounted value".

The NAV of each cell is disclosed in Note 3 and is equal to the fair value of each cell's investment. This fair value is a discounted amount, allowing for the time value of money up to the expected date of maturity of the cell and its investment. In order to allow a direct comparison between guaranteed and maximum amount (which are not discounted) an "undiscounted value" has been calculated which excludes the effect of the time value of money from the calculation of fair value in Note 3.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Credit Risk (continued)**

**30 September 2019**

Cell	Maturity Date	Undiscounted	Redemption Amount	
		Value	Guaranteed	Maximum
Cell 247	12 December 2019	17,080,595	15,939,357	22,770,510
Cell 248	30 January 2020	8,464,930	6,865,391	10,046,913
Cell 249	13 March 2020	8,208,604	6,828,751	9,944,783
Cell 250	08 May 2020	11,793,931	10,417,758	15,245,499
Cell 251	18 June 2020	22,105,048	19,249,546	28,170,068
Cell 252	27 August 2020	77,035,733	61,233,481	81,246,374
Cell 253	06 November 2020	65,448,030	51,441,597	68,254,217
Cell 254	23 December 2020	40,388,265	32,290,823	42,214,344
Cell 256	21 December 2020	40,313,771	34,546,372	43,140,836
Cell 258	16 November 2020	7,415,228	6,509,402	7,747,776
Cell 259	16 November 2020	28,949,247	24,714,392	30,621,735
Cell 260	23 December 2020	36,381,268	31,844,303	37,591,812
Cell 261	10 December 2020	21,018,536	18,329,969	21,459,476
Cell 262	12 November 2020	40,972,786	34,896,589	41,535,453
Cell 263	29 December 2020	49,761,197	41,898,027	55,182,767
Cell 264	21 December 2020	34,112,292	29,784,516	39,228,386
Cell 265	11 December 2020	30,657,687	26,776,442	31,609,263
Cell 266	31 December 2020	3,690,788	3,446,771	4,035,244
Cell 267	21 December 2020	8,985,096	8,519,959	9,642,100
Cell 268	02 November 2020	4,231,121	4,068,637	4,485,424
Cell 269	31 December 2020	19,168,273	18,794,837	20,170,069
Cell 270	17 December 2020	12,667,201	12,313,564	13,722,578

**31 March 2019**

Cell	Maturity Date	Undiscounted	Redemption Amount	
		Value	Guaranteed	Maximum
Cell 240	04 April 2019	20,659,260	20,650,838	Note 7bi
Cell 242	06 June 2019	9,099,352	9,102,078	Note 7bi
Cell 244	21 August 2019	12,039,322	12,029,781	16,708,029
Cell 247	12 December 2019	16,955,860	15,939,357	22,770,510
Cell 248	30 January 2020	8,247,316	6,865,391	10,046,913
Cell 249	13 March 2020	8,004,000	6,828,751	9,944,783
Cell 250	08 May 2020	11,662,804	10,417,758	15,245,499
Cell 251	18 June 2020	21,766,545	19,249,546	28,170,068
Cell 252	27 August 2020	75,032,953	61,233,481	81,246,374
Cell 253	06 November 2020	64,508,031	51,441,597	68,254,217
Cell 254	23 December 2020	40,008,926	32,290,823	42,214,344
Cell 256	21 December 2020	40,057,235	34,546,372	43,140,836
Cell 258	16 November 2020	7,369,162	6,509,402	7,747,776
Cell 259	16 November 2020	28,706,834	24,714,392	30,621,735
Cell 260	23 December 2020	36,199,794	31,844,303	37,591,812

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Credit Risk (continued)**

Cell	Maturity Date	Undiscounted Value	Redemption Amount	
			Guaranteed	Maximum
Cell 261	10 December 2020	20,938,047	18,329,969	21,459,476
Cell 262	12 November 2020	40,738,796	34,896,589	41,535,453
Cell 263	29 December 2020	49,592,330	41,898,027	55,182,767
Cell 264	21 December 2020	34,177,057	29,784,516	39,228,386
Cell 265	11 December 2020	30,495,958	26,776,442	31,609,263
Cell 266	31 December 2020	3,702,116	3,446,771	4,035,244
Cell 267	21 December 2020	9,012,265	8,519,959	9,642,100
Cell 268	02 November 2020	4,243,802	4,068,637	4,485,424
Cell 269	31 December 2020	19,252,049	18,794,837	20,170,069
Cell 270	17 December 2020	12,762,212	12,313,564	13,722,578

Note 7 bi Maturity Proceeds will be based on aggregated return of the FTSE Index over the Averaging Periods as defined in the individual term sheets.

At 30 September 2019 and 31 March 2019, all cash and receivables that are held with counter parties have been assessed for probability of default, as a result no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Company.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The only financial commitments of the Company are meeting ongoing expenses and these are paid out of monies provided by the "Investment Advisor", which are not assets of the Company.

The Company's liability to Shareholders to meet the redemption amount on Shares of each Cell is matched exactly to the maturity date of the Investments allocated to that Cell (Refer to 8(b) Credit Risk). Therefore, the Company, as a whole, and each Cell individually, has no liquidity mismatch.

Shareholders will be assured of receiving the Guaranteed Return in respect of their Shareholding on the relevant maturity date only if either:

- i) The "Investment Advisor" satisfies its obligations under the Protected Cell Equity Index Derivative to pay the Company an amount at least equal in aggregate to the Guaranteed Return for their Shares on or around the relevant maturity date;
- ii) Santander Guarantee Company ("SGC"), a wholly owned direct subsidiary of Santander (UK) plc., satisfies its obligations under the Cell Guarantee Facility Agreement applicable to the Shares on the maturity date if Shareholders do not receive an amount at least equal to the Guaranteed Return in respect of their Shares held until they are redeemed on the maturity date and, if necessary, Santander (UK) plc. satisfies its obligations to SGC under the Conditional Share Subscription Agreement.

If the "Investment Advisor" were to fail to perform its obligations under the terms of the Financial Transactions and SGC were to default under the Cell Guarantee Facility Agreement applicable to the Shares, the Shareholders could lose some or all of their investment.

**Guaranteed Investment Products 1 PCC Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019 (continued)**

**7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(d) Capital Management**

The capital comprises of the net assets attributable to holders of shares of the Company. Capital is managed by entering into an investment which has agreed terms for each protected cell comprising of a guaranteed fixed amount and a growth amount depending on the performance of the underlying investment, (this is further explained in Note 8(b)), which is matched to the maturity of liabilities.

**8 ONGOING EXPENSES**

	<b>Period ended 30 September 2019 GBP</b>	<b>Period ended 30 September 2018 GBP</b>
Annual Fees	12,200	17,950
Audit Fees	33,524	36,150
Directors' Fees	35,111	61,833
Administration Fees	66,742	56,995
Registrar's Fees	2,317	3,357
Other Sundry Expenses	21,513	1,113
<b>TOTAL</b>	<b>171,407</b>	<b>177,398</b>

The ongoing expenses were paid out of monies provided by the "Investment Advisor", which are not assets of the Company.

**9 RELATED PARTY TRANSACTIONS**

Anson Registrars Limited is the Registrar of the Company. John R Le Prevost was a director of Anson Registrars Limited and during the year £2,317 (30 September 2018: £3,357) of costs were incurred on behalf of the Company, of which £nil (31 March 2019: £nil) was owing at the period end in fees to the Registrar.

Santander UK Plc is the immediate parent company of ANTS. The Company is consolidated into the accounts of Santander UK Plc. Notwithstanding this fact, the Board consider that the limited rights attaching to the shares held by Abbey National Nominees Limited means that Santander should not be considered the ultimate parent of the Company.

The directors are entitled to remuneration for their services at rates determined by the annual general meeting of the shareholders. In addition, directors are reimbursed for reasonable travelling, hotel and other incidental expenses in respect of attending meetings of the directors or meetings of the Company. See Note 9 for details on directors' expenses.

**10 SUBSEQUENT EVENTS**

There are no other events that have occurred between the period end and signing of these financial statements which require disclosure within the financial statements.

**Guaranteed Investment Products 1 PCC Limited**  
**SCHEDULE OF INVESTMENTS**  
as at 30 September 2019

	As at 30 September 2019		As at 31 March 2019	
	NOMINAL GBP	VALUATION GBP	NOMINAL GBP	VALUATION GBP
Cell 240	-	-	18,032,905	20,630,187
Cell 242	-	-	7,915,599	9,072,289
Cell 244	-	-	10,643,369	11,967,404
Cell 247	15,180,340	17,071,810	14,786,683	16,786,420
Cell 248	6,697,942	8,454,812	6,610,055	8,160,773
Cell 249	6,629,855	8,190,523	6,525,664	7,906,102
Cell 250	10,163,666	11,745,132	10,061,065	11,490,024
Cell 251	18,780,045	21,978,287	18,588,765	21,414,885
Cell 252	59,739,881	76,395,360	59,126,630	73,742,909
Cell 253	50,186,924	64,751,169	49,672,401	63,280,692
Cell 254	31,503,242	39,902,006	31,214,081	39,174,281
Cell 256	33,703,778	39,800,791	33,356,442	39,173,901
Cell 258	6,350,636	7,325,459	6,300,764	7,211,782
Cell 259	24,111,602	28,608,416	23,986,680	28,109,306
Cell 260	31,067,613	35,901,734	30,753,240	35,376,691
Cell 261	17,882,897	20,751,314	17,745,075	20,475,917
Cell 262	34,045,453	40,493,662	33,701,642	39,897,866
Cell 263	40,876,124	49,129,013	40,458,873	48,507,696
Cell 264	29,058,064	33,675,390	28,836,361	33,422,585
Cell 265	26,123,358	30,266,523	25,958,806	29,819,813
Cell 266	3,362,703	3,638,781	3,345,322	3,612,888
Cell 267	8,312,155	8,859,095	8,270,150	8,795,091
Cell 268	3,969,402	4,177,002	3,957,367	4,148,025
Cell 269	18,336,426	18,884,685	18,315,019	18,765,498
Cell 270	12,252,302	12,485,096	12,187,498	12,448,343
<b>TOTAL</b>	<b>488,334,408</b>	<b>582,486,060</b>	<b>520,350,456</b>	<b>613,391,368</b>

**Guaranteed Investment Products 1 PCC Limited  
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John R Le Prevost  
Paul J Meader

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