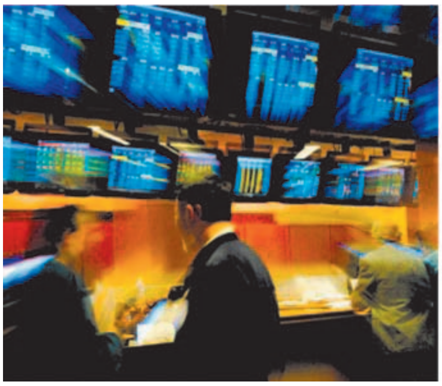
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

Contents

Highlights

- Investments in 32 companies* at year end
- NAV of 94.13p per share at 31 March 2014, down 15.8% on the year and 6.0% since 30 September 2013
- £5.0 million in cash realised since 1 April 2013, of which £3.4 million was achieved during the year and a further £1.6 million since the year end
- £63.9 million realised since inception, gain of 55% on cost from these investments
- £1.3 million invested during the year, with a further £0.4 million in an investment since the year end which has already been realised
- Significant positive developments in a number of our investments
- £5.2 million currently available in cash as at 10 July 2014

* excluding companies entirely written down

Bob Morton, Chairman of St Peter Port, said:

"Most of the largest and most interesting holdings in the portfolio have yet to offer us an opportunity to realise our investment. We can see some major liquidity events becoming closer. The more buoyant market for smaller companies, especially tech-related, should facilitate this, as will positive developments in the larger holdings in the oil sector.

"There are good prospects that any sizeable transactions in the near future will be at a significant premium to our current carrying value. It is our intention to increase our efforts to accelerate their timing."

Oil production

Chairman's Statement

Introduction

I am pleased to report on the year ended 31 March 2014. During the year, the portfolio continued to progress and realisations accelerated.

Background and Investment Approach

The climate for IPOs improved significantly during the year and there was a major upturn in the number of flotations on most major stock markets. This was particularly the case for technology companies and some other sectors, which is positive for some of our portfolio. The upturn did not, however, benefit natural resources.

Nonetheless, the oil price remains strong and the picture is not uniform across all hard commodities. Furthermore, our most promising resource companies are now focused on achieving a trade sale rather than an IPO. Companies in the portfolio in other sectors are more focused on an IPO, which the better climate should support.

During the year and subsequently, the Company made a small number of further investments. These were largely follow-ons into companies already in the portfolio. The follow-ons enable us to take advantage of our knowledge and familiarity with the investee companies. We made two small investments into new companies and in one of these we have already achieved a successful exit.

Investments and Realisations

During the financial year, the Company realised or partly realised investments, generating some £3.4 million in cash. Since the year end it has realised a further £1.6 million.

Since launch, the Company has realised £63.9 million through disposals, generating a gain on these investments of 55 per cent. The rate of realisations is inevitably uneven, with major disposals linked to liquidity events in the investee companies. However, during the year and subsequently, we have also been able to make a number of disposals or part disposals in the quoted portfolio as market conditions have enabled them.

Union Agriculture – Field harvest

The Company invested £1.3 million in five companies during the financial year. All of these investments were follow-ons apart from a £0.5 million investment in Nektan, a mobile gaming platform developer. Subsequent to the year end, we made a new investment of £0.4 million in Rift Resources, which was sold in the same month, generating a profit of £0.22 million.

Financial Results

The balance sheet shows pre-IPO investments (including those which now have a listing) of £56.5 million. Net assets were £62.8 million, giving a net asset value of 94.13p per share. Net assets have decreased by 6.0 per cent since the interim results as at 30 September 2013, in considerable part as a result of the continued appreciation of sterling against the dollar and other relevant currencies. The remaining changes result primarily from valuations discussed in the Investment Manager's Report, which disaggregates these effects.

These valuation changes reflect both positive developments leading to material revaluations, and significant reductions in other valuations.

At the balance sheet date, the Company held £4.9 million in cash. As at the close on 10 July 2014, the Company held £5.2 million in cash deposits.

Dividends

There were no net gains on realisations during the year and no dividend is proposed for the year. It remains the Board's policy that, in respect of each future period of six months and subject to the requirements of Guernsey law regarding solvency, it will pay out in cash 50 per cent of the net gains from all realisations made.

Outlook

The portfolio continues to make progress. Most of the largest and most interesting holdings in the portfolio have yet to offer us an opportunity to realise our investment. We can see some major liquidity events becoming closer. The more buoyant market for smaller companies, especially tech-related, should facilitate this, as will positive developments in the larger holdings in the oil sector. There are good prospects for some sizeable transactions in the near future.

We continue to expect that when such liquidity events occur, they will be at a significant premium to our current carrying value. It is our intention to increase our efforts to accelerate their timing.

Bob Morton
Chairman
25 July 2014

Astrakhan – distributing its oil

Nickel core testing

Investment Manager's Report

Our portfolio is diversified across a wide range of sectors. We hold investments in several technology companies, including 3D TV, software for gaming on mobile devices and bio-technology. In resources, we have companies in oil and gas (including enhanced recovery techniques); minerals including copper, gold, nickel, uranium, rarer elements and coal. We also have soft commodity companies, including the largest and highly dynamic farmland owner in Uruguay, a plantation company with fast-growing timber in Mozambique, a potash mine in Brazil and a US food company.

Most of the portfolio companies have their main activity outside of the UK and a significant proportion were sourced from brokers whose main business is outside the UK. Some are now listed in Canada or Australia: we have been actively disposing of all or part of listed holdings where there is sufficient liquidity. Many are now more likely to seek acquisition by a larger company rather than an IPO. Of the total portfolio, £1.8 million (by value) was listed as at 31 March 2014, representing 3.2 per cent of the invested portfolio at that date.

The following table shows the breakdown by sector of the pre-IPO investments (including investments which are now quoted) as at 31 March 2014:

Investments by Sector as at 31 March 2014

Sector	Number	Cost £m	Book Value £m	Percentage (of value)
Oil and Gas	7	11.6	13.9	24.7
Mining	17	27.6	29.4	52.0
Technology	3	2.1	3.5	6.1
Ag. / Forestry	3	6.1	9.1	16.1
Other	2	6.3	0.6	1.1
Total	**32**	**53.7**	**56.5**	**100.0**

Investments

During 2013/4 the Company made five investments, four of which were follow-ons and none of which were very large, relative to the total value of the portfolio. We invested:

- £500,000 in Nektan in a pre-IPO round in June 2013. Nektan is a Gibraltar based company specialised in providing a software platform to enable cash gaming over mobile devices (smart phones and tablets). It specialises in lottery and slot machine games and has contracts with a range of leading gambling companies. It is planning for an IPO over the next few months.
- We invested a further US$938,000 (£619,000) in Brazil Potash to exercise warrants over shares in July 2013. This company is showing promise and around US$35 million was subscribed by exercising warrant-holders in the round last year. The company is well on the way to proving a large potash resource and is investigating various possibilities for realisation. It is currently conducting a further investment round to complete a phase of drilling.
- a further US$92,000 (£59,000) in Jordan Energy (oil shale in Jordan) in an internal round in August 2013. Jordan Energy has identified substantial, commercially attractive deposits of shale oil at or near surface which it plans to exploit for domestic production of electricity and commercial petroleum products.
- some £65,000 in Mongolian Minerals loan notes and £30,000 in iQur convertible loan notes, in both cases in internal rounds to maintain our percentage holding.

After the year end in April 2014, we subscribed £430,000 into Rift Petroleum, a South African/Namibian oil explorer. Shortly afterwards, Rift Petroleum was acquired by Tower Resources, an AIM quoted company and our holding was exchanged for shares in Tower Resources. We sold our shares in Tower Resources, realising a gain of £220,000.

Realisations

As mentioned above, we have been actively realising our listed portfolio. In the summer of 2013 we realised our entire holding in Iona Energy, a Canadian listed company operating in the North Sea (UK Continental Shelf). Although the company's performance has been good, the weaker sentiment for the sector meant that we exited with a loss on the holding of 4 per cent, realising £1.19 million.

We realised our quoted holdings in Eden Energy, Hayward Tyler and the balance of our holding in Tuscany International Drilling (most having been sold in the past). We also made some minor partial disposals in the balance of the quoted portfolio. These disposals generated a further £177,000.

In January 2014 we realised our entire holding in Ilika Technology which we had held for nearly 7 years, for £2.04 million. Although the company had successfully floated some years ago (at which point our holding was increased to reflect a ratchet), liquidity in its stock had been poor ever since its flotation. Following some positive announcements, the opportunity arose to sell. Again we exited with a loss of £458,000 on our original investment cost.

Since the year end, in addition to the disposal of Tower Resources discussed above, we sold our holdings in Amara Mining (formerly Amlib) and Tuscany Energy and made some further part disposals, raising some £901,000 from such disposals. We intend to continue these realisations as opportunities arise to achieve acceptable prices

Portfolio – Detail

The following is a list of the Company's current investments (excluding those of nil value).

Company	Investment (initial terms)	Business
African Timber and Farming	£1.15 million for ordinary shares.	Timber plantations in Mozambique.
Astrakhan Oil	US$2.5 million subscription for ordinary shares. Further US$188,000 purchased from a fund which was closing.	An oil development company with licenses in the Caspian Sea, Russia.
Brazil Potash	US$2.5 million subscription for ordinary shares. Further US$1.5 million subscription for ordinary shares. US$937,000 to exercise warrants.	Potash exploration and development on licenses covering 22.5 million hectares in the Amazon Potash Basin.
Buried Hill	US$850,000 subscription for ordinary shares. Further US$2.7 million acquisition of ordinary shares.	Oil and gas exploration company focused on the Caspian Sea.
Caracara Silver	Distribution in specie from Homeland Uranium	Silver exploration company in southern Peru.
Celadon Mining	£3.7 million subscription for ordinary shares in two tranches. Further £660,000 purchased from a distressed seller.	Chinese company which has acquired and permitted major coal assets in China. Now in the process of selling mine-ready projects.
Cuprum Resources	Acquired at auction as a result of the default by Dominion Minerals on the US$2 million secured bond held by the Company.	A Panamanian company which holds the exploration license (currently in suspension pending a Supreme Court ruling) over the Cerro Chorcha copper project in Panama.
Dundee Sustainable Technologies	CDN$2.2 million subscription for ordinary shares of Creso. Further CDN$700,000 subscription for ordinary shares and warrants of Creso. Subsequent consolidation and name change from Creso Exploration to Dundee Sustainable Technologies.	Canadian company with proprietary processes for extracting metals from ores which cannot be otherwise exploited because of environmental considerations.
EastSiberian	US$2 million subscription for ordinary shares. Further US$1.875 million subscription for ordinary shares.	Oil and gas exploration.
Enhanced Oil	CDN$4 million subscription for ordinary shares. Further CDN$1.6 million subscription for ordinary shares and warrants.	Enhanced oil recovery company which has acquired depleted oilfields in the USA where significant oil resources remain and where CO_2 flooding is effective.

Investment Manager's Report continued

Portfolio – Detail continued

Global Atomic	CDN$2 million subscription for ordinary shares.	Uranium exploration and development company which has discovered a high-grade uranium deposit in Niger.
Gourmet Express	US$3 million subscription for ordinary shares. Further loan, with warrants, of US$600,000.	A leading consumer products company specialising in the production, distribution and marketing of a wide variety of frozen food products, in particular the frozen skillet meal category.
HaloSource	Acquired in exchange for another investment.	US-based company with a leading technology for purification of water at the point of use.
Homeland Uranium	CDN$2.45 million subscription for ordinary shares and warrants	Uranium exploration company with prospects in Niger.
International Goldfields ("IGS")	£1 million subscription for ordinary shares in Latin Gold. Our interest was acquired by IGS for cash and shares.	Gold miner/developer with assets in Australia, Brazil, and West Africa.
iQur	£0.5 million subscription for ordinary shares. Further £51,000 in convertible loan notes.	Medical research company that is developing a novel vaccine platform.
Jordan Energy	US$1.05 million subscription for ordinary shares.	A company with rights to extract large shale oil deposits in Jordan.
Manabi Minerals	US$2 million for ordinary shares.	Brazilian iron ore company with road/rail and port developments underway.
Mediatainment	US$2 million subscription for ordinary shares.	3D TV without glasses in very high (4K) resolution.
MinCore	CDN$2.34 million subscription for ordinary shares in two tranches.	Developing a large copper/molybdenum deposit in Mexico.
Mongolia Minerals	CDN$1 million subscription for ordinary shares. Further CDN$2 million subscription for common shares. Subsequent CDN$113,000 in convertible loan notes.	Coal exploration and development in Mongolia.
Nektan	£500,000 subscription for ordinary shares.	Developer of the leading platform in mobile gaming.
Nusantara Energy	£3.15 million subscription for shares and warrants, in several tranches	Indonesian coal and infrastructure developer.
Red Flat Nickel	US$4.2 million investment in loan notes in a complex deal	The Company controls two nickel laterite deposits in Oregon. The loan partly funded exploration on the two fully owned tenements. Following the loan reaching its term in 2011, the Company has acquired the majority equity interest as well as improving the security of the loan.
Royal Nickel	CDN$4 million subscription for ordinary shares	Canadian nickel developer with a world-class nickel deposit in northern Quebec.

Royal Resources	A$2 million subscription for shares	Iron ore developer in southwest Australia, developing the Razorback deposit along with infrastructure to service the Braemar iron ore belt.
Seven Energy	US$5 million subscription for ordinary shares.	Nigerian gas distributor serving local heavy industry and utilities.
Union Agriculture	US$2 million subscription for ordinary shares. Further US$1 million subscription for ordinary shares.	Uruguayan farming company which is now the largest owner of agricultural land in Uruguay.
Union Minerals	US$1 million subscription for ordinary shares.	Uruguayan mineral exploration company, holder of the largest minerals exploration portfolio in Uruguay; including iron ore, gold, titanium, ferrochrome and diamonds.

We also held securities in Rock Well Petroleum, Bio-thermal Technologies, Develica Asia Pacific, Continental Petroleum, Royal Coal, Puma Hotels, Dominion Minerals, TMO Renewables, First Iron and China Molybdenum; these investments are carried at nil or negligible amounts.

Top Ten Investments as at 31 March 2014

The following table lists our top ten investments by value as at 31 March 2014. Where we hold more than one instrument in a company, the holdings have been aggregated.

Company	Cost £ 000's	Valuation £ 000's	Gain/ (Loss) £ 000's	Status
Red Flat Nickel Corp	2,271	10,183	7,912	Unquoted
Brazil Potash Corp	3,085	5,824	2,739	Unquoted
Buried Hill Energy (Cyprus) Plc	1,749	5,566	3,817	Unquoted
Seven Energy Limited	3,492	3,829	337	Unquoted
Cuprum Resources Corp	1,211	3,607	2,396	Unquoted
Nusantara Energy Plc	3,153	3,450	297	Unquoted
Celadon Mining Limited	4,410	3,040	(1,370)	Unquoted
Astrakhan Oil Corporation Limited	1,661	2,985	1,324	Unquoted
Mincore Inc.	1,228	2,606	1,378	Unquoted
Union Agriculture	1,878	2,324	446	Unquoted
Total	24,138	43,414	19,276	

Investment Manager's Report continued

Brazil Potash – Logistics facilities near Manaus

Other Significant Developments

Buried Hill

Buried Hill has a substantial deposit of oil in the Caspian Sea in Turkmenistan, close to the maritime border with Azerbaijan and to the largest producing field in BP's portfolio. A joint venture to develop it was agreed some years ago with a major oil company, but a border dispute between the two countries has delayed its implementation. Recently there have been positive political developments and it is now much more promising that a liquidity event for shareholders will occur soon. We have increased our holding value to the level prior to these political problems emerging.

African Timber

This company, which has a timber plantation in western Mozambique, has received an approval for finance from the World Bank/IDC. This will move the company closer to a liquidity event and we have accordingly increased our holding value to the level implied by the IDC investment price.

Mediatainment/STV

STV, the 3D TV company in which we hold an interest through a shareholding in its parent Mediatainment, continues to make progress. It has brought into production a chip embodying its software and a circuit board which enables this chip to be built into the new generation of TVs and other display screens (from small to giant). It is expecting to have its first commercial sales of 3D TVs this Christmas and has engendered strong interest from a broad range of TV manufacturers, several of which are signed up to its technology. We have increased our valuation moderately to reflect the most recent funding round.

Creso Resources

Creso Resources has undertaken a reverse takeover in which it acquired a company, Nichromet, which has a non-cyanide based technology for extracting metal, particularly gold and nickel, from rock. The company has changed its name to Dundee Sustainable Technology and has received strong backing from the Canadian Government. As a consequence its shares have been re-rated.

Reductions in Holding Value

We have written down to zero TMO Renewables and First Iron, both of which have exhausted their working capital. We have also written down the value of Global Atomic and Homeland Uranium to reflect recent weakness in the price of uranium, Union Minerals to reflect weaker iron ore and Mongolia Minerals and Celadon Mining to reflect weaker coal prices.

Contributions to Changes in the Valuation of the Portfolio

The largest single factor contributing to the reduction of the holding value of the portfolio was the rise in the value of sterling against relevant currencies. This accounts for 3.5p of the reduction in NAV arising in the second half, having contributed 5.9p to the reduction in the first half. Other than foreign exchange, changes in the holding values of the portfolio in the second half contributed 1.1p, with the balance of the change, 1.45p, arising from expenses.

Developments in the Portfolio Not Giving Rise to Value Change

The following are noteworthy:

- Manabi continues to make good progress in developing its port and transport infrastructure in Minhas Gerais province of Brazil.
- Nektan is preparing for a flotation.
- Seven Energy's underlying value was substantiated by the flotation of Seplat on the London Stock Exchange in April 2014. Seplat and Seven both have an interest in Nigerian Petroleum and the market value of Seplat implies strong underpinning to the value of Seven's oil activities, with its valuable gas business essentially being excluded in our sum of the parts holding value, which has had also to take account of a funding round.
- Red Flat Nickel's rock has been sent to Dundee Sustainable Technologies which has demonstrated that the nickel can be extracted successfully using Dundee's cleaner technology. We continue to await the Forestry Department's permission to resume exploratory drilling.

Activity and Prospects

We can expect to make some further follow-on investments where the terms are compelling, but our principal focus will be on bringing forward the crystallisation of value in the portfolio, particularly in our major holdings. Where there is scope for us to do so, we are also working to deliver major value uplifts in other companies in the portfolio.

Whilst, as ever, the timing of our exits will depend upon market conditions and opportunities arising, there remain strong prospects for further large gains in many of the holdings in the portfolio.

T Childs
Tim Childs as Investment Advisor to
St Peter Port Investment Management Limited
25 July 2014

Board of Directors and Investment Advisers

Arthur Leonard Robert Morton (aged 72), Chairman

Bob is a Chartered Accountant, who has been a substantial investor on his own behalf in a number of AIM companies. He is currently also Chairman of a number of other quoted companies including Armour Group PLC, Servoca PLC, and Porta Communications PLC. In addition, Bob is also a director of a large number of private companies.

Lynn Bruce (aged 53), Director

Lynn is a Chartered Accountant (Scotland) having trained at KPMG (London). She was the CFO of an international wealth management group, Stenham Limited, for 11 years where she was also a member of both their Risk and Audit Committees. Prior to that she was the CFO for The Leasing Corporation plc and Financial Controller at AT&T Capital Europe. Lynn is a director of Shore Capital Group Limited and a director in the Bellerive and Earl groups of companies and lives in Guernsey.

Timothy Erling Childs (aged 53), Director

Tim is an experienced investor and entrepreneur across a range of sectors. He was a founder, Chairman and Chief Executive of Gatehouse Leasing Limited, a Dublin-based lease finance company, which was subsequently sold to an investment group, and in turn acquired by the Bank of Scotland. He also served as Managing Director of Private Equity Investor plc, an investment trust fund of technology funds from February 2000 to November 2004. Tim has been involved in pre-IPO investing since 1994. Tim stepped down from the Board in July 2014, see page 11.

Peter Francis Griffin (aged 55), Director

An economics graduate from Leeds University, Peter qualified as a Chartered Accountant with Coopers & Lybrand in Manchester in 1982. Since 1984 he has worked in the offshore financial services sector in a number of jurisdictions and is presently the managing director of Intertrust Fund Services (Guernsey) Limited. Peter's employment history includes periods as a Partner with accountants Reads & Co/Robson Rhodes in the Isle of Man, as a director of CMI Trust (a Halifax Bank of Scotland group company) in the Isle of Man, and as Managing Director of Fairbairn Trust Company (an Old Mutual group company) in Guernsey.

Graham Barry Shore (aged 58), Director and Investment Adviser

Graham began his career as Government economist. He is a former partner of Touche Ross (now Deloitte LLP) and was responsible for the London practice advising the telecommunications and new media industries. At Touche Ross he undertook strategic and economic assignments for a wide range of clients including appraisals of venture capital opportunities. In 1990, Graham joined Shore Capital as Managing Director, and has been involved in managing Shore Capital-promoted development capital funds Puma I, the JellyWorks portfolio, Puma II and the ten Puma Venture Capital Trusts as well as St. Peter Port Capital. This has involved the evaluation of new deals and representing the funds with investee companies. Graham has been involved with AIM since its inception as both a corporate financier and investor and with private equity for more than 25 years.

Changes to the Board and Investment Advisory Arrangements

In July 2014 Tim Childs stepped down from the Board of St Peter Port Capital Limited ("the Company") and reduced his role as an investment adviser to the Company's investment manager, St Peter Port Investment Management Limited (the "Investment Manager"). On behalf of the Company and its shareholders, the Board expressed its gratitude to Tim for his contribution over the past seven years.

The Investment Manager appointed LMN Capital Limited ("LMN") to work together with Shore Capital Limited to advise it as the Company enters the next phase of its evolution. Under its agreement with the Investment Manager, LMN will provide the services of its principal, Jonathan Paisner. Fuller details of these arrangements were set out in an announcement by the Company published on 28 July 2014.

Jonathan Paisner (aged 45) and LMN Capital, Investment Adviser

LMN was established by Jonathan Paisner in 2011 as a capital introducer, investor and corporate finance adviser, working closely with high net worth individuals, family offices and private equity firms in a wide range of industries. LMN is regulated and authorised by the Financial Conduct Authority. As discussed in the Chairman's statement, the Company intends to increase efforts to accelerate the timing of realisations of portfolio investments and the remit of Jonathan and LMN will be to focus on achieving such realisations.

Prior to setting up LMN, Jonathan was a main board director of Shore Capital Group plc. At Shore Capital, he acted as group legal counsel, director of the Group's principal finance and asset management divisions and co-head of the Group's German office. He was a key member of the management team, responsible for executing a wide range of transactions in all areas of the Group's activities. He also sat on numerous boards across a number of jurisdictions covering many sectors including hotels, real estate, hedge funds as well as venture capital and private equity funds. Jonathan started his career as a solicitor at Berwin Leighton, now Berwin Leighton Paisner. As a qualified solicitor, Jonathan continues to advise a small number of clients mainly on international corporate and commercial affairs.

Report of the Directors

Directors' responsibilities

The Directors have pleasure in submitting their Annual Report and the Audited Financial Statements for the year ended 31 March 2014 for St Peter Port Capital Limited ("the Company").

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with The Companies (Guernsey) Law, 2008 and International Financial Reporting Standards (IFRS), of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Status and activities

The Company is an authorised closed ended investment company registered under the provisions of The Companies (Guernsey) Law, 2008 and is regulated by the Guernsey Financial Services Commission.

The Company was incorporated on 6 March 2007 and its securities began trading on the Alternative Investment Market of the London Stock Exchange on 16 April 2007 with a placing of 75,000,000 ordinary shares of nil par value each.

The Investment Manager, St Peter Port Investment Management Limited, will aim to build a diversified portfolio of growing small to mid-sized companies which are seeking to achieve an IPO within a reasonably short time horizon. It is intended that investments will be opportunistic and not sector or regionally focused and that they will typically be passive in nature.

Two of the investee companies, Red Flat Nickel Corp. and Cuprum Resources Corp., are controlled by the Company and managed directly by the Investment Manager.

Results and dividends

The results attributable to the Shareholders for the year and the transfer to reserves are shown in the Statement of Comprehensive Income. During the year ended 31 March 2013, the Company paid a dividend of 3p per ordinary share. No dividend will be proposed for the year ended 31 March 2014.

As at 31 March 2014, 2,250,000 (2013: 2,250,000) shares were held in treasury. During the year ended 31 March 2013 the Company repurchased 1,500,000 of its ordinary shares at a cost of £720,000. The share buy back in the year ended 31 March 2013 represented 2.2% of the total ordinary shares issued and fully paid.

Going concern

The Company's directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has resources to continue in business for the foreseeable future.

Directors and their interests

The Directors of the Company who served during the year were:

Arthur Leonard Robert Morton (Chairman)
Graham Barry Shore (Director)
Timothy Erling Childs (Director)
Lynn Bruce (Director)
Peter Francis Griffin (Director)

The Board resolved that Simon Bourge would step down as a Director effective 17 July 2013. Lynn Bruce joined the Board in his place on the same date.

At 31 March 2014 the Directors' interests in the Ordinary

Shares of the Company were as follows:

		2014 Ordinary shares	2013 Ordinary shares
Hawk Investment Holdings Limited	1	**2,900,000**	2,900,000
Groundlinks Limited	1	**100,000**	100,000
Lynn Bruce (Director)		**nil**	nil
Broughton Limited	2	**2,500,000**	2,500,000
Peter Francis Griffin (Director)		**nil**	nil
Graham Barry Shore (Director)		**nil**	nil
Timothy Erling Childs (Director)		**nil**	nil
Shore Capital Group Investments Limited	3	**5,600,000**	5,600,000
Arthur Leonard Robert Morton (Chairman)		**nil**	nil

1. Hawk Investment Holdings Limited and Groundlinks Limited are companies which are held entirely by related parties of Arthur Morton.

2. Broughton Limited is a company in which Timothy Childs has an interest as a beneficiary and settlor of the trust that owns the company.

3. Shore Capital Group Investments Limited is a subsidiary of Shore Capital Group Limited, a company in which Graham Shore and Lynn Bruce are shareholders. Graham Shore and Lynn Bruce are also directors of companies within the Shore Capital group of companies.

There have been no changes in the interests of the Directors from 31 March 2014 to the date of signing these financial statements.

Certain Directors of the Company have interests in certain portfolio assets.

Directors' remuneration

The emoluments of the individual Directors for the year were as follows:

	2014 £	2013 £
Arthur Leonard Robert Morton (Chairman)	**nil**	nil
Graham Barry Shore (Director)	**nil**	nil
Timothy Erling Childs (Director)	**nil**	nil
Lynn Bruce (Director)	**10,654**	nil
Simon Charles Bourge (Director)	**3,750**	15,000
Peter Francis Griffin (Director)	**15,000**	15,000

The above fees do not include reimbursed expenses for the Directors.

Hawk Consulting Limited, a company in which Mr Morton is interested, was paid a fee of £60,000 per annum (inclusive of all expenses) with respect to services provided from time to time by either that company or Mr Morton on its behalf. Mr Childs and Mr Shore have waived their entitlement to a Director's fee but will be able to recover reasonable expenses.

Substantial shareholdings

At 31 March 2014 the following interests in 3% or more of the issued Ordinary Shares (excluding treasury shares) had been notified to the Company.

		Number of Ordinary shares	Percentage of share capital
Pershing Nominees Limited (SHCLT) ACCT	1	**13,051,870**	18.92%
Nortrust Nominees Limited (GSYA) ACCT		**4,900,000**	7.10%
Schweco Nominees Limited 17316 ACCT		**4,315,000**	6.26%
Ferlim Nominees Limited Pooled ACCT	2	**3,574,500**	5.18%
The Bank of New York Nominees Limited		**2,894,000**	4.20%
Nortrust Nominees Limited (TDS) ACCT		**2,750,224**	3.92%
Pershing Nominees Limited (SKCLT) ACCT		**2,500,000**	3.62%
Fitel Nominees Limited	3	**2,500,000**	3.62%
HSBC Global Custody Nominee (UK) Limited		**2,152,550**	3.12%

1. Includes 13,051,870 (2013: 15,701,739) Ordinary Shares held by clients of Shore Capital Limited and Shore Capital Stockbrokers Limited, including 5,600,000 shares in respect of Shore Capital Group Investments Limited.

2. Includes 2,900,000 shares in respect of Hawk Investment Holdings Limited, a company which is held entirely by related parties of Arthur Morton.

3. All shares under the name of Fitel Nominees Limited are held in the name of Broughton Limited, a company in which Timothy Childs has an interest as a beneficiary and settlor of the trust that owns the company.

Independent Auditors

During the year PricewaterhouseCoopers CI LLP resigned as auditors to the Company, and Deloitte LLP have been appointed in their place.

Deloitte LLP have indicated their willingness to continue in their capacity as auditors. A resolution for the reappointment of Deloitte LLP will be proposed at the forthcoming annual general meeting.

APPROVED BY THE BOARD OF DIRECTORS

P F Griffin	**L Bruce**
Director	Director

25 July 2014

Independent Auditors' Report to the Members of St Peter Port Capital Limited

We have audited the financial statements of St Peter Port Capital Limited for the year ended 31 March 2014 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the IASB; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Emphasis of matter – valuation of unquoted investments

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made by the directors in note 12 to the financial statements concerning the fair valuation of unquoted investments. The directors are faced with significant inherent uncertainty in the determination of the fair values of these investments as at the year end. The amounts ultimately realised on the disposal of these investments may be materially different to the fair value estimates reflected in the financial statements and it is not possible to quantify the effect of these uncertainties on the financial statements.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP
Chartered Accountants
St Peter Port, Guernsey
Date: 25 July 2014

Statement of Financial Position

As at 31 March 2014

		As at 31 March 2014	As at 31 March 2013
Assets	**Notes**	**£'000**	**£'000**
Current assests			
Financial assets at fair value through profit or loss	12	**56,502**	68,289
Loans and other receivables	13	**1,462**	1,462
Cash and cash equivalents	14	**4,925**	4,967
Total assests		**62,889**	74,718
Liabilities			
Current liabilities			
Trade and other payables	15	**86**	126
Total liabilities		**86**	126
Net assets		**62,803**	74,592
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	16	**–**	–
Share premium	17	**–**	–
Special reserve	17	**67,741**	67,741
Revenue reserve		**(4,938)**	6,851
Total Equity		**62,803**	74,592
Net asset value per Ordinary Share (pence per share)	19	**94.13**	111.80

Approved by the Board of Directors on 25 July 2014

P F Griffin
Director

L Bruce
Director

The accompanying notes 1 to 22 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March 2014

	Notes	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Income			
Net (losses)/gains on financial assets at fair value through profit or loss	12(c)	**(9,637)**	7,222
(Losses)/gains on foreign exchange		**(12)**	63
Interest income	4	**35**	91
Other income	4	**42**	53
Net investment (loss)/income		**(9,572)**	7,429
Administrative expenses	2(d)	**(2,217)**	(2,380)
Net (loss)/income from operations		**(11,789)**	5,049
(Loss)/profit for the year attributable to shareholders of the Company		**(11,789)**	5,049
Basic and diluted (loss)/return per Ordinary Share (pence)	11	**(17.67)**	7.49

The Company does not have any income or expenses that are not included in the profit for the year, and therefore the "(Loss)/profit for the year attributable to shareholders of the company" is also the "Total comprehensive income for the year", as defined by IAS1 (revised).

All items in the above statement derive from continuing operations.

The accompanying notes 1 to 22 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2014

	Notes	Special Reserve £'000	Revenue Reserve £'000	Total £'000
Opening balance at 1 April 2013		**67,741**	**6,851**	**74,592**
Loss for the year		**–**	**(11,789)**	**(11,789)**
Dividends Paid	18	**–**	**–**	**–**
Balance at 31 March 2014		**67,741**	**(4,938)**	**62,803**
For the year ended 31 March 2013				
Opening balance at 1 April 2012		68,461	3,849	72,310
Profit for the year		–	5,049	5,049
Dividends Paid	18	–	(2,047)	(2,047)
Ordinary shares repurchased	17	(720)	–	(720)
Balance at 31 March 2013		67,741	6,851	74,592

The accompanying notes 1 to 22 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2014

	Notes	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Cash flows from operating activities			
Interest and investment income received		**35**	243
Operating expenses paid		**(2,063)**	(2,566)
Net cash used in operating activities		**(2,028)**	(2,323)
Cash flows from investing activities			
Sale of investments		**3,420**	1,833
Redemption of loan notes		**–**	285
Purchase of investments		**(1,272)**	(3,644)
Cash inflow/(outflow) from investing activities		**2,148**	(1,526)
Cash flows from financing activities			
Dividends paid		**–**	(2,047)
Loans to subsidiaries		**(155)**	(26)
Purchase of own shares	17	**–**	(720)
Cash outflow from financing activities		**(155)**	(2,793)
Cash outflow for the year		**(35)**	(6,642)
Exchange losses during the year		**(7)**	–
Opening cash and cash equivalents		**4,967**	11,609
Closing cash and cash equivalents	14	**4,925**	4,967

The accompanying notes 1 to 22 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2014

1. General information – investing strategy

St Peter Port Capital Limited ("the Company") is a Guernsey authorised, closed ended investment company regulated by the Guernsey Financial Services Commission and governed by The Companies (Guernsey) Law, 2008.

The Company continued to hold 100% ownership of St Peter Port Capital (RFN) Limited, 100% ownership of SPPC Securities Holdings Limited, 100% ownership of Cerro Chorcha Limited, 80% of the ordinary share capital in Red Flat Nickel Corp. (an investee company), and 100% of the ordinary share capital in Cuprum Resources Corp. (also an investee company). Cerro Chorcha Limited and St Peter Port Capital (RFN) Limited are registered in Guernsey, and SPPC Securities Holdings Limited is registered in Ireland. Red Flat Nickel Corp. is registered in Panama and Cuprum Resources Corp. is registered in the USA.

The Company has elected to early adopt the Investment Entities amendments to IFRS 10 and as such is not consolidating these subsidiaries in these financial statements as the Company is considered by the Directors to be an investment entity.

St Peter Port Capital Limited's investment strategy is primarily to invest in unquoted companies which are close to a liquidity event. The funds invested by St Peter Port Capital Limited will often provide the working capital to make such an event possible. The event could be an Initial Public Offering ("IPO"), trade sale or repayment of a bridging loan (typically with warrants or other form of participation) from a fund-raising achieved by the investee at a higher price after the bridging event has occurred.

The universe for investment is principally companies across a broad range of sectors and geography expecting to achieve a liquidity event in a reasonable period after the Company's investment. However, in current conditions, it may also include companies which are already publicly quoted but where the equity value has been heavily eroded by the current market malaise. The initial focus has been on companies targeting UK, US and Commonwealth stock markets although companies looking to float on other exchanges will also be considered.

The address of the registered office is shown on the inside back cover. The Company's website is www.stpeterportcapital.gg.

The Company is listed on the London Stock Exchange's AIM.

2. Summary of Significant Accounting Policies

This financial information for the year ended 31 March 2014 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS include standards and interpretations approved by the International Accounting Standards Board, including International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee who replaced the Standards Interpretation Committee.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of investments held at fair value through profit or loss. Financial asset investments (including derivative financial instruments) are held at fair value through profit and loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 (f).

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

(i) New standards and amendments mandatory for years ended 31 March 2014

IFRS 10 'Consolidated financial statements': The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The Standard was effective for annual periods beginning on or after 1 January 2013 but was adopted early by the Company for the year ended 31 March 2013.

Notes to the Financial Statements continued

For the year ended 31 March 2014

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(i) New standards and amendments mandatory for years ended 31 March 2014 (continued)

IFRS 12, ‘Disclosure of interests in other entities’: The Standard requires entities to disclose significant judgements and assumptions made in determining whether the entity controls, jointly controls, significantly influences or has some other interests in other entities. Entities will also be required to provide more disclosures around certain ‘structured entities’. The Standard was effective for annual periods beginning on or after 1 January 2013. Adoption of the Standard has impacted the Company’s level of disclosures in certain of the above noted areas, but has not impacted the Company’s financial position or results of operations.

IAS 27 (revised 2011), ‘Separate financial statements’: The objective of the Standard is to prescribe the accounting and disclosure requirements when an entity prepares separate financial statements. The amended Standard was effective for annual periods beginning on or after 1 January 2013.

IFRS 11, ‘Joint arrangements’ has also been adopted, however, this Standard has had no impact on the Company.

IAS 28 (revised 2011) ‘Associates and Joint Ventures’. This Standard combines the requirements in IAS 28 (2008) and IAS 31 that were carried forward but not incorporated into IFRS 11 and IFRS 12. The amended Standard was effective for annual periods beginning on or after 1 January 2013 with retrospective application required. This standard has had no impact on the Company.

Amendments to IFRS 7 on Financial instruments asset and liability offsetting. These amendments contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements. The amendments were effective for annual periods beginning on or after 1 January 2013, with retrospective application required.

IFRS 13, ‘Fair Value Measurement’ was effective for annual periods beginning on or after 1 January 2013. The new Standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It provides a revised definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurement that currently exist in certain Standards. The Standard is applied prospectively with early adoption permitted. Comparative disclosure information is not required for periods before the date of initial application. The Standard has required additional disclosure to be presented by the Company.

Amendment to IAS 1, ‘Presentation of financial statements’: Other Comprehensive Income. The amendment requires that an entity present separately items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. Additionally, the amendment changes the title of the statement of comprehensive income to statement of profit or loss and other comprehensive income. However, the use of other titles is permitted. The amendment is applied retrospectively from 1 July 2012.

Annual improvements 2011 are effective for annual periods beginning on or after 1 January 2013. The improvements amend the following pronouncements: IFRS 1 in relation to repeated application and borrowing costs; IAS 1 to clarify the requirements for comparative information; IAS 16 in relation to the classification of servicing equipment; IAS 32 to clarify the tax effect of a distribution to holders of equity instruments; and IAS 34 to clarify the interim reporting of segment information for total assets to enhance the consistency with the requirements of IFRS 8.

(ii) New Standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2013 and not early adopted

A number of new Standards, amendments to Standards and interpretations are not yet effective as at 31 March 2014, and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company’s Financial Statements. The Company plans to adopt these pronouncements when they become effective. The Company has not yet analysed the likely impact of the new Standards on its financial position or performance.

- IFRS 9 ‘Financial Instruments’ is expected to be effective for annual periods beginning no later than on or after 1 January 2018. The new Standard is to be issued in phases and is intended ultimately to replace IAS 39 Financial Instruments: Recognition and Measurement. The first phase of IFRS 9 was issued in November 2009 and relates to

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the Standard are expected to be issued during 2013. The Company recognises that the new Standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on the Fund's financial statements. The impact of these changes will be analysed during the course of the project as further phases of the Standard are issued. The Company does not intend to adopt this Standard early.

- Amendments to IAS 32 on Financial instruments: asset and liability offsetting. These amendments do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application. The amendments specify that an entity currently has a legally enforceable right to set-off if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments are effective for annual periods beginning on or after 1 January 2014 with retrospective application required.
- Amendments to IAS 36, 'Impairment of assets'. These amendments reduce the circumstances in which the recoverable amount of assets is required to be disclosed, clarifies the disclosures required, and introduces a requirement to disclose the discount rate used in determining impairment where the recoverable amount is determined using a present value technique. The amendments are effective on a retrospective basis for annual periods beginning on or after 1 January 2014. Early adoption is permitted to any period in which IFRS 13 is also applied.

The Directors do not anticipate that the adoption of these Standards will have a material impact on the financial statements of the Company when the relevant Standards and interpretations come in to effect.

(iii) New Standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2013, but which have been early adopted

The Company has early adopted the Investment Entities amendments to IFRS 10, IFRS 12 and IAS 27 (the "Amendments") which are effective 1 January 2014.

Amendments to IFRS 10 'Consolidated financial statements': These define an investment entity and introduce an exception from the consolidation requirements for investment entities.

Amendments to IFRS 12 'Disclosure of interests in other entities': These introduce new disclosure requirements related to investment entities.

Amendments to IAS 27 (revised 2011) 'Separate financial statements': These require an investment entity as defined in IFRS 10 to present separate financial statements as its only financial statements in the case where it measures all of its subsidiaries at fair value through profit or loss and to disclose that fact.

(b) Subsidiaries

The Company holds 100% ownership of St Peter Port Capital (RFN) Limited, 100% ownership of SPPC Securities Holdings Limited, 100% ownership of Cerro Chorcha Limited, 80% of the ordinary share capital in Red Flat Nickel Corp. (an investee company), and 100% of the ordinary share capital in Cuprum Resources Corp. (also an investee company). Financial support is provided to these subsidiary companies, including payment of operating expenses for Red Flat Nickel Corp. of £105,457 during the year ended 31 March 2014, (2013: £68,466).

Cerro Chorcha Limited and St Peter Port Capital (RFN) Limited are investment holding companies which are registered in Guernsey. SPPC Securities Holdings Limited is an investment holding company registered in Ireland. Red Flat Nickel Corp. and Cuprum Resources Corp are mining corporations registered in Panama and the USA respectively.

The results of the Company's investee subsidiaries listed above are not consolidated and are included in these financial statements at fair value through profit or loss. As such, these separate financial statements are the only financial statements presented by the Company.

The directors have concluded that the Company has the typical characteristics of an investment entity, in accordance with the definitions contained in IFRS 10, as the following conditions exist:

(a) The Company has obtained funds for the purpose of providing investors with investment management services.

Notes to the Financial Statements continued

For the year ended 31 March 2014

2. Summary of Significant Accounting Policies (continued)

(b) Subsidiaries (continued)

(b) The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.

(c) The performance of investments are measured and evaluated on a fair value basis.

In accordance with IFRS 10 the Company does not consolidate subsidiary entities which themselves are classified as investment entities, instead the Company will measure an investment in such a subsidiary at fair value through profit or loss in accordance with IAS 39. Movements in the fair value of these subsidiary investment entities are recognised in the Statement of Comprehensive Income.

(c) Income

Financial interest income and expenses for all interest bearing financial instruments, except for those designated at fair value through profit or loss, are recognised within 'interest income' in the statement of comprehensive income based on the effective interest rate. Interest arising from debt securities is recognised in the statement of comprehensive income within 'net changes in fair value on financial assets'. Interest earned and received during the year is recognised as realised gains and interest earned but not received at year end is recognised as unrealised gains.

(d) Running costs and expenses

The Company will bear all fees and out of pocket expenses properly incurred by the Investment Manager which for the years ended 31 March 2013 and 2014 was St Peter Port Investment Management Limited, the Administrator which for the years ended 31 March 2013 and 2014 was Intertrust Fund Services (Guernsey) Limited, and the Registrar which for the years ended 31 March 2013 and 2014 was Capita Registrars (Guernsey) Limited. Expenses borne on behalf of the Company are recharged to the Company on a quarterly basis. In addition, the Company will meet all of its own costs and expenses, including aborted transaction fees, the remuneration of those Directors for whom fees are payable and their expenses and the costs of all employees, advisers and consultants acting in the performance of the Company's business, commissions, banking fees, legal expenses, insurance costs, regulatory fees, acquisition and disposal fees, auditors' fees, listing costs and the costs of distribution of reports and accounts and other documentation to shareholders. The Administrative expenses during the year were as follows:

Administration expenses

	31 March 2014 £'000	31 March 2013 £'000
Administration fees	**76**	71
Audit fees	**82**	105
Investment Management fees	**1,682**	1,696
Legal and professional fees	**245**	288
Directors and Consultancy fees	**89**	90
Insurance	**10**	10
Sundry expenses	**33**	120
	2,217	2,380

2. Summary of Significant Accounting Policies (continued)

(e) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment into growth companies which are seeking to achieve an IPO within a reasonably short time horizon.

The Company mainly operates in the following sector.

Financial assests	31 March 2014 £'000	%	31 March 2013 £'000	%
Oil & Gas	**13,942**	**24.68**	14,652	21.46
Mining	**29,364**	**51.97**	39,418	57.72
Technoogy	**3,470**	**6.14**	4,985	7.30
Ag. / Forestry	**9,034**	**15.99**	8,338	12.20
Renewable energy	**12**	**0.02**	312	0.46
Other	**680**	**1.20**	584	0.86
	56,502		68,289	

And in companies with the following countries of domicile.

Financial assests	31 March 2014 £'000	%	31 March 2013 £'000	%
Australia	**216**	**0.38**	464	0.68
Brazil	**1,531**	**2.71**	1,827	2.68
Canada	**12,024**	**21.28**	15,809	23.15
Cyprus	**5,566**	**9.85**	4,441	6.50
United Kingdom and Ireland	**12,573**	**22.27**	16,095	23.57
United States of America	**13,206**	**23.37**	15,627	22.89
Russia	**2,985**	**5.28**	3,285	4.81
Uruguay	**3,346**	**5.92**	3,880	5.68
Niger	**1,448**	**2.56**	2,892	4.23
Panama	**3,607**	**6.38**	3,969	5.81
	56,502		68,289	

The domicile of the parent company does not necessarily relate to the country in which the company carries out its business.

(f) Valuation of investments

The Directors (with advice from the Investment Manager) make estimates and assumptions concerning the performance of underlying investments. The estimates and assumptions involved in fair valuing the investments are considered in line with the valuation policies outlined below.

The Directors assessment of fair value is determined in accordance with the International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. It is the opinion of the Directors, that the IPEVC valuation methodology used in deriving a fair value is not materially different from the fair value requirements of IAS 39. Investments are measured at fair value. A summary of the more relevant IPEVC Valuations is set out below.

Marketable (Listed) Securities – Where an active market exists for the security, the value is stated at the bid price on the last trading day in the period.

Unlisted Investments – are carried at such fair value as the Directors consider appropriate given the performance of each Investee Company and after taking account of the effect of dilution, the exercise of ratchets, options or other incentive schemes.

Notes to the Financial Statements continued

For the year ended 31 March 2014

2. Summary of Significant Accounting Policies (continued)

(f) Valuation of investments (continued)

Where the investment being valued was acquired recently, its cost will generally provide a good indication of fair value. Methodologies used in arriving at the fair value include prices of recent investments, net assets and industry valuation benchmarks. Notwithstanding the above, the variety of valuation bases adopted and quality of management information provided by the underlying Investee Company means there are inherent difficulties in determining the value of these investments. Amounts realised on the sale of these investments may differ from the values reflected in these financial statements and the difference may be significant. Please refer to note 12 for further information on these valuations.

(g) Fair value of derivative contracts

Fair values of derivative contracts are estimated by reference to current market conditions compared to the terms of the contract.

(h) Taxation

The Company is exempt from taxation under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is liable to an annual fee of £600. Subsidiaries are subject to tax in their respective jurisdictions.

(i) Foreign currency translation

(i) Functional and reporting currency

The functional currency of the Company is Pounds Sterling, being the currency in which the majority of cash and cash equivalents are held and converted only where necessary to settle expenses relating to investments, and is also the currency in which capital is raised. The reporting currency of the Company for accounting purposes is also Pounds Sterling.

(ii) Transactions and balances

Foreign currency monetary assets and liabilities balances are translated into Pounds Sterling at the rate of exchange ruling on the last day of the Company's financial period. Foreign currency transactions are translated at the rate of exchange ruling on the date of transaction. Gains and losses arising on currency translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses on investments are accounted for in the Statement of Comprehensive Income in the period in which they arise.

(j) Financial liability and equity

Financial liability and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(k) Financial assets

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income when the Company's right to receive payment is established.

(l) Trade and other payables

Trade payables are not interest bearing and are stated at their cost, which was materially equal to fair value as at 31 March 2014 and 2013 respectively.

(m) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses, which was materially equal to fair value as at 31 March 2014 and 2013 respectively.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with a maturity of three months or less.

(o) Loans

Loans, classified as investments, are held at fair value through profit and loss.

3. Critical Accounting Estimates and Judgement

The Company makes estimates and assumptions relating to the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgement has been used in the valuation of level 3 investments as detailed in note 12(d). Judgement has also been used in determining the functional currency of the Company as explained in note 2(i)(i).

4. Interest and Other Income

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Bank and broker interest	**35**	91
Total interest received	**35**	91
Sundry income	**42**	53
Total other income	**42**	53

Sundry income relates to management fees received from an investee company.

5. Administration Fees

Under the Administration Agreement the Administrator is entitled to receive an annual administration fee at a rate as may be agreed from time to time between the Company and the Administrator. The administration fee is £50,000 (£45,000 prior to 1 January 2014) per annum for the performance of the administration services. There is an additional fee for the provision of any directors to the Board of the Company and for the production of annual and interim financial accounts. The Administrator will also be entitled to reimbursement for its reasonable expenses in providing the administration services. Total administration fees for the year ended 31 March 2014 amounted to £75,689 (2013: £70,905) with £13,500 (2013: £11,915) outstanding at the year end.

6. Management Fees

Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee of 2 per cent per annum (or 1 per cent until 50 percent of the net placing proceeds are invested in portfolio companies) of Net Asset Value which shall accrue on the first day of each quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year and all reasonably and properly incurred expenses of the Investment Manager with respect to Company business. The Company's investment into pre-IPO companies passed the hurdle at which management fees became payable at 2 per cent per annum on 18th October 2007. Management fees for the year to 31 March 2014 amounted to £1,384,123 (2013: £1,384,206) with £6,172 payable (2013: £9,192 payable) at the year end. Reimbursements to the Investment Manager for the year to 31 March 2014 amounted to £297,727 (2013: £312,762) with £70,319 receivable at the year end (2013: £93,533 receivable).

The Investment manager is owned 50% by Broughton Limited and 50% by Shore Capital Group Limited. Tim Childs has an interest as a beneficiary and settler of the trust that owns Broughton Limited and Graham Shore is a shareholder of Shore Capital Group Limited.

7. Directors' and Consultancy Fees

Under their letters of appointment, Ms Bruce and Mr Griffin are paid a remuneration of £15,000 per annum. Mr Bourge was paid a remuneration of £15,000 per annum until he stepped down from the Board on 17 July 2013. Hawk Consulting Limited, a company in which Mr Morton is interested, is paid a fee of £60,000 per annum (inclusive of all expenses) with respect to services provided from time to time by either that company or Mr Morton on its behalf. Mr Childs and Mr Shore have waived their entitlement to a Directors fee but are able to recover reasonable expenses. Total directors' fees for the year to 31 March 2014 amounted to £29,404 (2013: £30,000) with £7,500 (2013: £7,500) outstanding at the year end. Total consultancy fees for the year amounted to £60,000 (2013: £60,000).

Notes to the Financial Statements continued

For the year ended 31 March 2014

8. Broker Fees

Under the Broker Agreement between the Company, Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited, the Company pays an annual retainer of £30,000 plus VAT together with the reasonable expenses plus VAT of Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited in connection with the Broker Agreement. Total broker fees for the year to 31 March 2014 amounted to £30,035 (2013: £38,308) with nil (2013: nil) outstanding at the year end.

9. Nomad Fees

Under the Nominated Advisor Agreement between the Company and Grant Thornton UK LLP the Company pays an annual retainer of £30,000 with any VAT if applicable. The Company is also responsible for all out-of-pocket expenses incurred by Grant Thornton UK LLP in connection with its appointment as nominated advisor of the Company.

Prior to 1 April 2013 the nomad was Deloitte LLP and under the Nominated Advisor Agreement the Company paid them an annual retainer of £30,000 with any VAT if applicable. The Company was also responsible for all out-of-pocket expenses incurred by Deloitte LLP in connection with its appointment as nominated advisor of the Company.

Total Nomad fees for the year to 31 March 2014 amounted to £27,527 (2013: £41,265) with nil (2013: £nil) prepaid at the year end.

10. Audit Fees

Audit fees for the year to 31 March 2014 amounted to £81,773 (2013: £104,706) with £58,000 (2013: £79,000) outstanding at the year end.

11. (Loss)/Return Per Ordinary Share

The calculation of basic (loss)/return per Ordinary Share is based on the net loss from continuing operations for the year of £11,789,000 (2013: £5,049,000 net profit) and on 66,721,500 (2013: 67,374,925) shares being the weighted average number of shares in issue during the year. There is no difference between basic earnings per share and diluted earnings per share.

12. Financial Assets and Liabilities Held at Fair Value through Profit and Loss

(a) Designated at fair value through profit or loss

	Historic cost at 31 March 2014	Market Value at 31 March 2014	Historic cost at 31 March 2013	Market Value at 31 March 2013
Financial assests	**£'000**	**£'000**	**£'000**	**£'000**
Listed equity securities	**9,937**	**1,789**	16,140	5,293
Unlisted equity securities	**39,310**	**43,577**	38,682	49,519
Unlisted debt securities	**3,733**	**11,136**	3,671	13,477
Total financial assets at fair value through profit or loss	**52,980**	**56,502**	58,493	68,289
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	**–**	**–**	–	–
	–	**–**	–	–

12. Financial Assets and Liabilities Held at Fair Value through Profit and Loss (continued)

(b) Movements in assets at fair value through profit or loss

For the year ended 31 March 2014	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2013	**49,519**	**5,293**	**13,477**	**68,289**
Purchase at cost	**1,208**	**–**	**62**	**1,270**
Disposal proceeds	**–**	**(3,420)**	**–**	**(3,420)**
Realised losses on disposals	**(580)**	**(2,783)**	**–**	**(3,363)**
Movement in net unealised (losses)gains on revaluation of investments	**(6,570)**	**2,699**	**(2,403)**	**(6,274)**
Valuation at 31 March 2014	**43,577**	**1,789**	**11,136**	**56,502**
Book cost at 31 March 2014	**39,310**	**9,937**	**3,733**	**52,980**
Net unrealised gains/(losses) at 31 March 2014	**4,267**	**(8,148)**	**7,403**	**3,522**
Valuation at 31 March 2014	**43,577**	**1,789**	**11,136**	**56,502**

For the year ended 31 March 2013

	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2012	40,910	8,045	10,922	59,877
Purchase at cost	3,064	64	372	3,500
Disposal proceeds	(24)	(45)	(2,049)	(2,118)
Realised (losses)/gains on disposals	(11,307)	(21)	10	(11,318)
Net unealised gains/(losses) on revaluation of investments	16,876	(2,750)	4,222	18,348
Valuation at 31 March 2013	49,519	5,293	13,477	68,289
Book cost at 31 March 2013	38,682	16,140	3,671	58,493
Net unrealised gains/(losses) at 31 March 2013	10,837	(10,847)	9,806	9,796
Valuation at 31 March 2013	49,519	5,293	13,477	68,289

(c) Net (losses)/gains on financial assets at fair value through profit or loss

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Realised loss on disposal	**(3,363)**	(11,318)
Investment income	**–**	100
Unrealised (loss)/gain on revaluation	**(6,274)**	18,440
Total net (losses)/gains on financial assets at fair value	**(9,637)**	7,222

Notes to the Financial Statements continued

For the year ended 31 March 2014

12. Financial Assets and Liabilities Held at Fair Value through Profit and Loss (continued)

(d) Fair value of financial instruments

The Company has classified its financial assets and liabilities designated at fair value through the profit or loss and the fair value of derivative financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

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

Level 2 – inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 31 March 2014.

As at 31 March 2014

Financial assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial investments designated at fair value through profit or loss				
Listed equity securities	**1,789**	**–**	**–**	**1,789**
Unlisted equity securities and debit	–	**–**	**54,713**	**54,713**
Assets measured at fair value	**1,789**	**–**	**54,713**	**56,502**

As at 31 March 2013

Financial assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial investments designated at fair value through profit or loss				
Listed equity securities	**5,293**	**–**	**–**	**5,293**
Unlisted equity securities and debit	–	**–**	**62,996**	**68,996**
Assets measured at fair value	**5,293**	**–**	**62,996**	**68,289**

There were no transfers between level 1 and level 2 during the current or prior year.

The fair valuation of any Level 3 investment requires the exercise of professional skill and judgement and naturally the fair values derived will have an element of estimation uncertainty as well as a likely range of potential valuation outcomes. The Directors have not explicitly factored in any potential tax which may crystalise on disposal of the investments as it is expected that sales would be structured in such a way as to avoid such taxes. The Directors are of the view (concurred with by the Investment Manager) that there are specific unquoted investments which present particular valuation challenges due to their individual stages of development and underlying circumstances and therefore there is inherently more estimation and judgement required in determining the fair values. The Directors believe that the individual valuations which have been determined are based on the best available information and each has used the appropriate valuation methodology.

12. Financial Assets and Liabilities Held at Fair Value through Profit and Loss (continued)

(e) Fair Value Measurement

The following table gives information about how the fair values of financial assets categorised as level 3 in the fair value hierarchy are determined by the Company:

Valuation technique and key inputs	Fair Value £'000	Reason for any changes in valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Recent fundraising activities	25,084	N/A	N/A	N/A
In-situ valuation based on confirmed resources and current long-term commodity price estimates; discounted for political risk, funding risk, and project stage.	19,718	N/A	Long-term commodity prices have been discounted by a range of 93.0 - 99.9%, to account for risks and costs to develop and extract resources.	Higher commodity prices and increased resource size would result in higher fair value. Increases in resource confidence and advancement of the project reduce the applied discount (and increases fair value).
Third party valuations of land and mineral rights.	7,348	N/A	The third party valuations use a variety of unobservable inputs, depending on the asset and methodology used.	The unobservable inputs will impact on the valuations in a manner that depends upon the input, asset and methodology applied.
Expected liquidation value, based on management's expectations and market conditions.	2,563	Resulting from recent political changes in Mongolia, investments totalling £1,380,000 have been revalued to nil and moved from 'Recent Transaction Activity' to 'Liquidation' valuation technique	N/A	N/A

The following table shows the sensitivity of fair values to reasonably possible alternative assumptions in respect of unobservable inputs for those investments valued on an "in-situ" basis as at 31 March 2014:

	Reflected in profit or loss	
	Favourable change £'000	Unfavourable change £'000
Unquoted investments – in situ valuaitons	11,897	6,388

The analysis above has been prepared to reflect the impact of applying higher or lower resource values in the valuation of investments prepared on an in-situ basis. These higher or lower resource values reflect the estimated impact of unfavourable or favourable alternative assumptions that the directors consider to be reasonably possible. The unfavourable assumptions include: election outcomes (i.e. political risk) destroying value completely, cyclical price destruction in bulk commodities, high oil prices driving extraction costs outside the economic range. Favourable assumptions include: global increased demand for base metals, early achievement of company development milestones, increased M&A in listed resource companies. The estimated quantities of available resource are deemed to be fixed for the purposes of this analysis. The sensitivity has been calculated separately for each relevant investment and the aggregate totals presented above.

Notes to the Financial Statements continued

For the year ended 31 March 2014

12. Financial Assets and Liabilities Held at Fair Value through Profit and Loss (continued)

(f) Transfers between Level 1 and 3

The following table shows all transfers between Level 1 and Level 3 of the fair value hierarchy for financial assets recognised at fair value:

	Transfer from Level 3 to Level 1 Year ended 31 March 2014 £'000	Transfer from Level 3 to Level 1 Year ended 31 March 2013 £'000
Financial assets		
Equity securities	**–**	–

(g) Level 3 reconciliation

Please see below a reconciliation disclosing the changes during the year for the financial assets designated at fair value through profit and loss classified as being unquoted investments in Level 3.

Assets	31 March 2014 £'000	31 March 2013 £'000
Opening balance at 1 April	**62,996**	51,832
Unrealised (losses)/gains during the year (refer to note 12(b))	**(8,973)**	21,098
Realised (losses)/gains during the year (refer to note 12(b))	**(580)**	(11,297)
Purchases	**1,270**	3,436
Disposals	**–**	(2,073)
Assets as at 31 March	**54,713**	62,996

13. Loans and other Receivables

	31 March 2014 £'000	31 March 2013 £'000
Receivable from subsidiary companies	**1,347**	1,316
Sundry debtors	**108**	117
Prepayments	**7**	29
	1,462	1,462

14. Cash and Cash Equivalents

	31 March 2014 £'000	31 March 2013 £'000
	4,925	4,967

The cash equivalent investments are considered to be highly liquid, so that book cost is considered equivalent to fair value. The weighted average interest rate on cash balances at 31 March 2014 was 0.84% (2013: 1.17%). The Company has no material interest bearing liabilities.

15. Trade and other Payables

	31 March 2014 £'000	31 March 2013 £'000
Administration fee payable	**14**	12
Directors' fees payable	**8**	8
Audit fee payable	**58**	79
Sundry creditors	**6**	27
	86	126

16. Share Capital

Founder Shares	31 March 2014 £'000	31 March 2013 £'000
10,000 Founder Shares of £0.01 each authorised issued and fully paid	**–**	–

Founder Shares have been created to facilitate the payment of carried interest. This performance based interest is calculated by reference to Absolute Shareholder Returns of the Company from Admission to AIM. The carried interest will be paid by way of dividend on Founder Shares subject to the condition that Absolute Returns exceed 8 per cent per annum (non-compounded) of the subscribed ordinary share capital of the Company. Further details regarding this dividend are outlined in note 18.

On inception of the Company on 6 March 2007, 75 million shares of nil par value were issued to investors, with cash proceeds received of £75 million. These proceeds, net of transaction costs, were credited to the share premium account. The Company applied to The Royal Court on 4 April 2007 for an order confirming the transfer of the Company's share capital and share premium accounts to a distributable reserve. The special reserve was therefore established, which may be used or distributed in any manner as approved by the Company, including the purchase of the Company's own ordinary shares and payment of dividends.

The Company has since made various payments of dividends and share buy backs from the special reserve.

Ordinary Shares

There are an unlimited number of ordinary shares of nil par value authorised. At the end of the reporting period 66,721,500 (2013: 66,721,500) have been issued and fully paid, not including the Treasury Shares as detailed below. The Ordinary Shares do not carry any right to fixed income.

Treasury Shares

The Company had 2,250,000 (2013: 2,250,000) Ordinary Shares held in Treasury at 31 March 2014.

Notes to the Financial Statements continued

For the year ended 31 March 2014

17. Share Premium and Special Reserve

	31 March 2014 £'000	31 March 2013 £'000
Share Premium	–	–
Special reserve		
Opening balance	**67,741**	68,461
Ordinary shares repurchased	–	(720)
Closing balance	**67,741**	67,741

18. Dividends

(a) Ordinary Dividends

The Company may declare dividends on Ordinary Shares in a general meeting but no dividend shall exceed the amount recommended by the Board. No dividend or other distribution shall be payable to holders of Ordinary Shares if the directors reasonably believe that payment will leave insufficient cash flows to enable the Company to pay the Founder Share dividend with respect to the accounting period in which such dividend or other distribution is proposed to be paid or made. The Board may from time to time pay to the members such interim dividends as appears to the Board to be justified by the profits of the Company. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

(b) Performance Dividends

A performance dividend is only payable provided that the condition below is satisfied. If this condition is satisfied, the Company may declare and pay a performance dividend to Founder Shareholders whenever it makes, declares or pays any dividend or other distribution to holders of Ordinary Shares. There are 10,000 Founder Shares in issue and these are held by Shore Capital Limited (5,000 shares), and Broughton Limited (5,000 shares).

The condition which has to be satisfied (the "Hurdle") for a payment of a performance dividend to Founder Shareholders is that Ordinary Shareholder returns exceed 8 per cent per annum on the aggregate amount subscribed in respect of Ordinary Shares, but deeming all Ordinary Shares subscribed on or before 31 March 2012 to have been subscribed on that date at 106 pence per Ordinary Share and such other sum received by the Company in respect of Ordinary Shares issued thereafter.

Subject to this condition being satisfied, and to there being available cash and distributable reserves to make the dividend payment (to the extent payable in cash), the amount payable to the Founder Shareholders will be the aggregate of:

(1) 25 per cent of the Hurdle or, if less, the amount by which Ordinary Shareholder returns exceed the Hurdle (the "Surplus"); and

(2) if the Surplus exceeds 25 per cent of the Hurdle, 20 per cent of that excess, less the aggregate of any dividends paid to Founder Shareholders in prior periods.

Founder Shareholders will be entitled to elect for some or all of the dividend payable to them to be satisfied by the issue to them of Ordinary Shares. No such allotment shall be made if and to the extent that the issue of Ordinary Shares will result, to the knowledge of the Directors, in any person together with persons acting in concert to that person acquiring 30 per cent or more of the ordinary share capital of the Company.

No performance dividend arising under the terms noted above has been paid or is payable in respect of the year ended 31 March 2014 (2013: nil).

19. Net Asset Value per Share

	31 March 2014 £'000	31 March 2013 £'000
Net Asset Value	**62,803**	74,592
Ordinary Shares in issue	**66,722**	66,722
Net Asset Value per Ordinary Share (pence per share)	**94.13**	111.80

The Net Asset Value per Ordinary Share is based on the Net Asset Value at the end of the reporting period and on 66,721,500 (2013: 66,721,500) Ordinary Shares being the shares in issue at the year end.

20. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Included in the financial statements is a fee payable to Shore Capital Limited totalling £25,032 in the year ended 31 March 2013 which related to corporate finance services provided by Shore Capital Limited to the Company.

Details of the owners of the Founder Shares are included in note 18(b).

The Company holds 1,950,000 cumulative preference shares in Puma Hotels Limited, a company in which Shore Capital Limited has an interest. Graham Shore is an executive director to Shore Capital Limited.

Graham Shore, Lynn Bruce and Peter Griffin are directors of the Investment Manager, St Peter Port Investment Management Limited. Peter Griffin is also a director of the Administrator, Intertrust Fund Services (Guernsey) Limited.

Certain Directors of the Company have interests in certain portfolio assets.

Other details of fees paid to the Administrator, Investment Manager, Directors and Broker are outlined in notes 5 to 8.

Expenses incurred by the Investment Manager, wholly and exclusively for the performance of its services provided to the Company, are recharged to the Company under an expenses recharge agreement. Reimbursements to the Investment Manager for the year to 31 March 2014 amounted to £297,727 (2013: £312,762) with £70,319 receivable at the year end (2013: £93,533 receivable).

21. Subsequent Events

The entire holding of Amara Plc was sold post year end for a total consideration of £9,823. In addition, 1 million shares in Royal Nickel Corp. and the entire holding of Tuscany Energy were sold for a combined total consideration of CDN$913,742. All sales proceeds were in excess of the year end values of the holdings. Tuscany Energy had a 2 for 1 stock split in May 2014.

During April 2014 Creso Exploration Inc. was amalgamated with a wholly owned subsidiary of Dundee Sustainable Technologies Inc. Following the amalgamation, shareholders and warrant holders of Creso Exploration Inc. received 0.5 shares or warrants in Dundee Sustainable Technologies Inc. for every one share or warrant held in Creso Exploration Inc. Subsequently, 2,320,171 shares in Dundee Sustainable Technologies Inc. were sold for a total consideration of CDN$727,780.

A short term loan of US$712,500 was made to Rift Petroleum Group Holdings Limited in April 2014. The loan was repaid by the issue of 17,393,321 shares in Tower Resources Plc. Following this, the entire holding in Tower Resources Plc was sold for a total consideration of £651,975.

Notes to the Financial Statements continued

For the year ended 31 March 2014

22. Financial Risks

(a) Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(b) Market risk

The Company operates in a competitive market for investment opportunities. While the Investment Manager considers the Pre-IPO market to be an attractive area for investment, it is nonetheless likely that the Investment Manager will encounter competition for target investments from investors many of which will have significantly greater resources than the Company. There can be no assurance that these competitive pressures will not have a material adverse effect on the Company's business, financial condition and results of operations. As a result of this competition, the Investment Manager may not be able to take advantage of attractive investment opportunities from time to time. Furthermore, the Investment Manager can offer no assurance that it will be able to identify and make investments that are consistent with the Company's investment strategy.

Investments

All of the Company's intended investments present the risk of a loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions including, but not limited to, international economic conditions, international financial policies and performance, governmental events and changes in laws. Moreover, the Company may only have a limited ability to vary its investments in response to changing economic, financial and investment conditions.

Investments in small unquoted companies

The Company's investment portfolio will comprise interests predominantly in unquoted private companies and companies with an AIM listing which may be difficult to value and/or realise. Investment in the securities of smaller companies may involve greater risks than is customarily associated with investments in larger, more established companies. In particular, such companies may have limited product offerings, markets or financial resources and may be dependent on a small number of key individuals.

Concentration risk

It is possible that certain investments will represent a significant proportion of the Company's total assets. As a result, the impact on the Company's performance and the potential returns to investors will be adversely affected to a greater degree if any one of those investments were to perform badly than would be the case if the Company's portfolio of investments was more diversified.

At the year end the overall investment allocation was as follows:

	31 March 2014		31 March 2013	
	Fair Value	**% of Net Assets**	**Fair Value**	**% of Net Assets**
	£'000		**£'000**	
Pre-IPO Investments (including corporate debt)	**54,713**	**87.12**	62,996	84.45
Listed Investments	**1,789**	**2.85**	5,293	7.10
	56,502	**89.97**	68,289	91.55

The Company's market risk is affected by three main components: changes in market prices for those listed entities, interest rates, and foreign currency movements. Interest rate and foreign exchange movements are covered in notes below. If the market value of the listed investments at year end had increased / (decreased) by 20% with all other variables held constant, this would have impacted the assets attributable to shareholders of ordinary shares by approximately £358,000 (2013: £1,059,000).

20% is the sensitivity rate used when reporting market risk internally to key management personnel and represents management's assessment of a reasonably possible change in market risk.

22. Financial Risks (continued)

(c) Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing. However, the Company is exposed to some amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. The Company's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 March 2014	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Fixed interest rate securities	**12.00%**	**61**	**–**	**61**
Fixed interest rate securities	**18.00%**	**673**	**–**	**673**
Equity Securities	**0.00%**	**–**	**46,190**	**46,190**
Floating interest rate securities	**6.80%**	**9,578**	**–**	**9,578**
Floating interest rate cash at bank	**0.84%**	**4,925**	**–**	**925**
Other receivables and prepayments	**0.00%**	**–**	**1,462**	**1,462**
Total assets		**15,237**	**47,652**	**62,889**
Liabilities				
Trade and other payables	**0.00%**	**–**	**86**	**86**
Total interest sensitivity gap		**15,237**	**47,566**	**62,803**

As at 31 March 2013	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Fixed interest rate securities	0.00%	–	1,362	1,362
Fixed interest rate securities	18.00%	668	–	668
Equity Securities	0.00%	–	55,718	55,718
Floating interest rate securities	5.40%	10,541	–	10,541
Floating interest rate cash at bank	1.17%	4,967	–	4,967
Other receivables and prepayments	0.00%	–	1,462	1,462
Total assets		16,176	58,542	74,718
Liabilities				
Trade and other payables	0.00%	–	126	126
Total interest sensitivity gap		16,176	58,416	74,592

The Investment Manager is permitted to utilise overdraft facilities towards the achievement of the Company's investment objectives. As at the date of signing of these financial statements, no overdraft facility has been negotiated or utilised.

Notes to the Financial Statements continued

For the year ended 31 March 2014

22. Financial Risks (continued)

(d) Currency risk

The Investment Manager may invest in opportunities denominated in currencies other than Pounds Sterling and may, through forward foreign exchange contracts, hedge its exposure back to Pounds Sterling. While hedging may attempt to reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations. Accordingly investors may, at certain times, be exposed to exchange rate risks between Pounds Sterling and other currencies, such that if the value of the other currencies falls relative to Pounds Sterling, the Company's assets will, in Pounds Sterling terms, be worth less.

The Company holds assets denominated in currencies other than Pounds Sterling, the functional currency. It is therefore exposed to currency risk, as the value of assets denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Company's exposure to currency risks.

	31 March 2014		31 March 2013	
	Value	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
Australian Dollar	**244**	**0.39**	637	0.85
Canadian Dollar	**7,711**	**12.28**	14,213	19.05
US Dollar	**41,209**	**65.62**	43,956	58.93

At year end, had the exchange rate between the currencies above and Sterling increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of ordinary shares would amount to approximately £12,000 (2013: £32,000) in the case of Australian Dollars, £386,000 (2013: £711,000) for Canadian Dollars and £2,060,000 (2013: £2,198,000) for US Dollars.

As illustrated by the table above the majority of the currency risk is generated from the Company's equity and debt exposure to the US and Canadian Dollar. The Company has not hedged these foreign currency equity and debt holdings as the Investment Manager feels that, due to the nature of the investments held, fluctuations in the relevant exchange rates are implicit within the share price. For the unquoted pre-IPO holdings, fluctuations in the exchange rate will be implicit within the flotation price when these companies achieve a market listing.

(e) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded on the market. The Company is exposed to market price risk arising from its investment in a variety of marketable listed securities and unlisted investments.

The Company's exposure to market price risk is managed by the Investment Adviser, which has a robust monitoring process through which the performance of the investments within the portfolio is assessed. Investment performance is monitored on a quarterly basis to ensure that NAV movements in the underlying investments are consistent with the Company's strategy. Nonetheless there are particular challenges in estimating accurate fair values of the Company's investments as noted in note 12(b).

The Company's exposure to price risk takes the form of net asset value movements delivered by the underlying investments. The Directors consider that the Investment Adviser manages the Company's exposure to price risk by way of its rigorous process, as described.

A 20% increase in the value of investments at year end would have increased the net assets attributable to shareholders by £9,073,000 (2013: £10,962,000). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

22. Financial Risks (continued)

(e) Price risk (continued)

As the majority of the Company's financial instruments are carried at fair value with changes in value recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net investment income. The table below details the breakdown of the investment assets held by the Company.

Investment assests	31 March 2014 % of Net Assets	31 March 2013 % of Net Assets
Equity investments:		
Unlisted equities	**69.39**	66.39
Listed equities	**2.85**	7.10
Debt instruments:		
Corporate debt	**17.73**	18.07
Total investments assets	**89.97**	91.56

(f) Liquidity risk

The Company's financial instruments include unlisted equity instruments, some of which are not traded in an organised public market and which generally may be illiquid. As a result, the Company may not be able to quickly liquidate some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements. The table below details the contractual, undiscounted cash flows of the Company's financial liabilities.

31 March 2014

All amounts stated in £'000	Less than 1 month	1–3 months	3 months to 1 year	No stated maturity
Accrued expenses	**86**	**–**	**–**	–
	86	**–**	**–**	–

31 March 2013

All amounts stated in £'000	Less than 1 month	1–3 months	3 months to 1 year	No stated maturity
Accrued expenses	126	–	–	–
	126	–	–	–

The gross nominal outflow disclosed above is the contractual, undiscounted cash flow on the financial liability or commitment.

(g) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the end of the reporting period. At the end of the reporting period, the Company's financial assets exposed to credit risk amounted to the following:

Amounts in the below table are based on the carrying value of all accounts.

	31 March 2014 £'000	31 March 2013 £'000
Investments in debt instruments	**11,136**	13,477
Cash and cash equivalents	**4,925**	4,967
Other assets	**1,462**	1,462
Total	**17,523**	19,906

Notes to the Financial Statements continued

For the year ended 31 March 2014

22. Financial Risks (continued)

(g) Credit risk (continued)

Many of the markets in which the Company may effect its transactions are "over-the-counter" or "inter-dealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent that the Company invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, it may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject the Company to the risk that the counterparty will not settle a transaction in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement.

The ability of the Company to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Company. The risks associated with counterparties may adversely affect the Company's investments, business, financial condition and prospects and the market price of the shares, and may lead to a total loss of the shareholders investment. Apart from cash at bank and broker held with reputable financial institutions, the Company's financial assets exposed to credit risk were concentrated in the following industries:

	31 March 2014 % of Net Assets	**31 March 2013 % of Net Assets**
Oil & Gas	**1.32**	1.21
Mining	**15.35**	15.96
Other	**1.07**	0.90
Total	**17.74**	18.07

Out of the totals above, 15.25% (2013:14.13%) relates to a loan to Red Flat Nickel Corp.

The S&P credit ratings of the Company's banks range from BBB+ to A.

St Peter Port Capital Limited
Notice of Annual General Meeting

PO Box 119
Martello Court
Admiral Park
St Peter Port
Guernsey

26 August 2014

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ST PETER PORT CAPITAL LIMITED WILL BE HELD AT MARTELLO COURT, ADMIRAL PARK, ST PETER PORT, GUERNSEY ON 11 SEPTEMBER 2014 AT 10.30A.M. TO CONSIDER AND IF THOUGHT FIT PASS THE FOLLOWING RESOLUTIONS:

RESOLUTIONS

1. To receive and consider the annual audited accounts and balance sheet and the reports of the Directors and Auditors for the period ended 31st March 2014.

2. To consider the re-appointment of Graham Barry Shore as a Director of the Company, who has offered himself for re-appointment in accordance with the Company's Articles of Incorporation.

3. To re-appoint Deloitte LLP, the auditors of the Company, to hold office from the conclusion of the meeting until the conclusion of the next meeting at which the accounts are presented to the Company and to authorise the directors to fix their remuneration.

4. To consider and if appropriate approve the Company's investment strategy.

SPECIAL BUSINESS

5. THAT the Company be and is hereby re-authorised in accordance with Section 5 of The Companies (Purchase of Own Shares) Ordinance, 1998 to make market purchases of its own shares provided that:

(a) the maximum number of ordinary shares authorised to be acquired is such number as represents 14.99 per cent of the shares in issue from time to time (rounded to the nearest whole number);

(b) the minimum price which may be paid for a share is £0.01;

(c) the maximum price which may be paid for a share is not more than 5 per cent. above the average of the middle market quotations for the relevant shares, as published by the London Stock Exchange for the five business days before the purchase is made; and

(d) such authority shall expire on the date of the annual general meeting of the Company in 2015 unless the authority is varied, renewed, or revoked prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to purchase its own shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

By Order of the Board

ANDRE GRANT LE PREVOST
Authorised Signatory
for Intertrust Fund Services (Guernsey) Limited
Corporate Secretary

Please note that you are entitled to appoint a Proxy to vote instead of you on any poll. The Proxy need not be a Member of the Company. The form appointing a Proxy must be lodged with **Capita Registrars, PX1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF** at least 48 hours before the Meeting to enable the Proxy to vote for you.

See notes below

Notes:

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint two or more persons as proxies in the alternative, but only one of such proxies may attend as such and vote instead of such Shareholder. A proxy need not also be a Shareholder. The delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the Meeting or at any adjournment thereof.

2. To be valid a proxy form (and any power of attorney or other authority (if any) under which the proxy form is signed (or a certified copy thereof)) must be lodged at the registered office of the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof. A proxy form is enclosed.

3. The quorum for the Meeting is two Shareholders present either in person or by proxy. The majority required for the passing of any special resolutions is seventy-five per cent. (75%) or more of the total number of votes cast on each such special resolution. The majority required for the passing of any ordinary resolutions is more than fifty per cent. (50%) of the total number of votes cast on each such ordinary resolution.

4. At the Meeting the votes may be taken by a show of hands or on a poll, at the option of the Chairman. On a show of hands every Shareholder present, in person or by proxy, shall have one vote. On a poll every Shareholder who is present, in person or by proxy, shall have one vote for every Ordinary Share held by him. On a poll votes may be given either personally or by proxy. A Shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.

5. If, within fifteen minutes from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned to the same time on 18th September 2014 at the same address. At the adjourned Meeting, those Shareholders present, in person or by proxy, will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, a majority of not less than seventy-five per cent. (75%) of the total number of votes cast is required to pass any special resolutions. The majority required for the passing of any ordinary resolutions is more than fifty per cent. (50%) of the total number of votes cast on each such ordinary resolution.

6. Where there are joint registered holders of any Ordinary Share such persons shall not have the right of voting individually in respect of such Ordinary Share, but shall elect one of their number to represent them and to vote, either in person or by proxy, in their name.

7. No Shareholder shall be entitled to be present or take part in any proceedings or vote, either in person or by proxy, at the Meeting unless all calls due from him have been paid. No Shareholder shall be entitled to vote in respect of any Ordinary Shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at the Meeting and how many votes such person may cast the Shareholder must be entered on the register of Shareholders, held at the registered office of the Company, 48 hours before the time fixed for the Meeting.

Officers and Professional Advisers

Directors (all non-executive)
Arthur Leonard Robert Morton (Chairman)
Timothy Erling Childs (Director)
Peter Francis Griffin (Director)
Graham Barry Shore (Director)
Lynn Bruce (Director)

Administrators and Registered Office
Intertrust Fund Services (Guernsey) Limited
P.O. Box 119
Martello Court
Admiral Park
St Peters Port
Guernsey, GY1 3HB

Investment Manager
St Peter Port Investment Management Limited
P.O. Box 119
Martello Court
Admiral Park
St Peters Port
Guernsey, GY1 3HB

Nominated Advisor
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Registrar
Capita Registrars (Guernsey) Limited
Mount Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH

Brokers
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU

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

Legal Advisor to the Company as to English Law
Beachcroft LLP
10-22 Victoria Street
Bristol
BS99 7UD

Legal advisor to the Company as to Guernsey Law
Carey Olsen
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Carey House, Les Banques
St. Peter Port
Guernsey GY1 4BZ

Guernsey Bankers
ABN AMRO (Guernsey) Limited
(formerly MeesPierson (CI) Limited)
PO Box 253
Martello Court
Admiral Park
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Guernsey GY1 3QJ

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