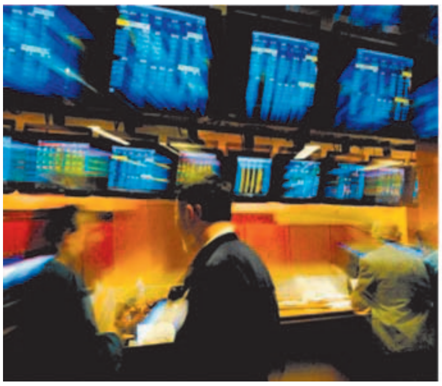
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

Contents

Highlights

- Investments in 26 companies* at year end
- NAV of 58.8p per share at 31 March 2015, down 37.5% on the year and 21.3% since 30 September 2014, principally as a result of write-downs
- £3.45 million realised since 1 April 2014, of which £3.36 million was achieved during the year and a further £85,000 since the year end
- £65.8 million realised since inception, a gain of 51% on cost from these investments
- £218,000 invested during the year in two follow-ons, £433,000 in a position sold soon after purchase
- Positive developments in a number of our investments
- £4.0 million in cash available as at 30 June 2015

* excluding companies entirely written down

Bob Morton, Chairman of St Peter Port, said:

"A number of companies in the portfolio continue to make good progress towards achieving a liquidity event. However, the commodities markets remain at multi-year lows which has depressed the value of resources companies. We have therefore reduced the holding value for several of our investments as a result.

"We remain committed to achieving realisations at every available opportunity."

Chairman's Statement

Introduction

I am pleased to report on the year ended 31 March 2015.

Background and Investment Approach

During the year, a number of companies in the portfolio continued to make progress, albeit at a slower pace than we had hoped for. Commodity markets were not kind and, although the financial markets have seen IPO activity in a number of sectors, they remained largely inaccessible for companies in the natural resources sector.

One of our companies floated on the AIM market during the year. Although currently trading at above a 40 per cent premium to our entry price, the market in this stock remains thin. We have realised some of this position to date.

A number of our portfolio companies continue to make very positive progress, demonstrating the viability of their business model or continuing to meet the relevant milestones required to achieve a liquidity event. Many of our portfolio companies' projects were always going to be long-term projects, and although the public markets embraced the risk these projects entailed at the inception of St Peter Port's life, all now require significant de-risking before they are able to attract substantial new investment (whether in the public markets or otherwise). We are pleased, as described in further detail below, that several of our companies are achieving this de-risking and as such we are cautiously optimistic that there may be several significant liquidity events taking place before or around the end of the current financial year.

We must recognise, however, that commodity markets remain stubbornly depressed and that geo-political risk in Russia, the Middle East and a slower Chinese economy continue to affect sentiment.

With all of this in mind, we have therefore also thought it prudent to mark down some of our investments, notwithstanding the fact that, in some cases, the quality of the asset remains strong.

Union Agriculture – Field harvest

Realisation and Investments

During the financial year, the Company fully or partly realised investments generating £3.36 million. Since the year end it has realised a further £85,000.

Since launch, the Company has realised £65.8 million through disposals, generating a gain on these investments of 51 per cent.

The Company invested £218,000 during the year in two follow-on investments, and a further £433,000 in one new investment, which was quickly realised at a profit. The follow-ons were participations in two small rights issues, as well as the acquisition from a forced seller in one of these companies.

Financial Results

The balance sheet shows pre-IPO investments (including those which now have a listing) of £32.6 million. Net assets were £37.8 million, giving a net asset value of 58.8p per share. Net assets have decreased by 21.3 per cent since the interim results as at 30 September 2014. These changes are primarily as a result of the revised valuations discussed in the Investment Manager's Report. In particular, we have revised the holding value of our investment in Red Flat Nickel Corp for reasons discussed in the Investment Manager's Report.

At the balance sheet date, the Company held £4.4 million in cash. As at the close on 30 June 2015, the Company held £4.0 million in cash deposits.

Dividends

There were in aggregate no net gains on realisations during the year or the six months 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

There have been some significant reductions in value in some the portfolio companies reflecting the sectors they are exposed to and a difficult funding market for independent explorers. Nevertheless, we are pleased with the continuing progress and underpinning of value in some of our companies.

We have a commitment (secured by a shareholder vote) from one of our portfolio companies to secure a flotation later in the year and we continue to push for liquidity events throughout the portfolio.

Bob Morton
Chairman
3 July 2015

Severn Energy – Nigerian gas distribution

Investment Manager's Report

St Peter Port's portfolio is diversified across a range of sectors. It holds investments in several technology companies, including 3D TV, software for gaming on mobile devices and bio-technology. In resources, it has companies in oil and gas (including enhanced recovery techniques); minerals including copper, gold, nickel, uranium, rarer elements and coal. It also has soft commodity companies, including the largest and highly dynamic farmland owner in Uruguay, a plantation company with fast-growing timber in Mozambique and a potash mine development in Brazil.

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, just over £940,000 (by value) was listed as at 31 March 2015, representing 2.7 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 2015:

Investments by Sector as at 31 March 2015

Sector	Number	Cost £m	Book Value £m	Percentage (of value)
Oil and Gas	6	10.9	12.2	36.5
Mining	13	24.5	9.0	26.9
Technology	4	2.7	4.0	12.0
Ag. / Forestry	3	5.3	8.2	24.6
Other	–	6.4	–	–
Total	**26**	**49.8**	**33.4**	**100.0**

Investments

In the year ended 31 March 2015 the Company made three investments, two of which were small follow-ons:

- In April 2014, St Peter Port invested £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 St Peter Port's holding was exchanged for shares in Tower Resources. St Peter Port sold its entire holding in Tower Resources, realising a gain of £220,000.
- Mincore, which is seeking to develop a large copper/molybdenum deposit in Mexico. St Peter Port participated in a rights issue, investing £43,000 in a US$1 million raise.
- iQur, a biotech company which is making excellent progress developing a universal flu vaccine. St Peter Port followed its rights in a rights issue by the company (£25,000). The rights issue automatically triggered conversion of St Peter Port's loan in the company into equity at a very advantageous conversion rate. In addition, St Peter Port acquired a further £150,000 worth of shares from a forced seller at a discount to the rights issue price.

Realisations

During the year, in addition to selling its entire holding in Tower Resources, the Company also sold its entire positions in Tuscany Energy Limited and Halosource, Inc. It also sold shares in several other listed companies, as liquidity allowed. This included the sale of St Peter Port's entire holding in Western Uranium, a company which completed a reverse takeover of Homeland Uranium Limited, the Canadian company in which St Peter Port had a c24 per cent interest. The sale of its interest in Western Uranium released cash proceeds in excess of CDN$270,000.

In total, all these disposals realised £1.98 million in cash for the Company. As previously reported, the Company also sold just under a million shares in Brazil Potash to Broughton Limited ("Broughton"). The monies realised from this sale of Brazil Potash were used to acquire from Broughton its shares in St Peter Port.

Subsequent to the year end, the Company has sold further small amounts of its listed positions generating a further £85,000.

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 onshore assets in the Astrakhan region, 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 licences 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.	A 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 licence (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.
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. Recently announced that it is to diversify into a developer of medicinal cannabis products.
IQur	£0.5 million subscription for ordinary shares. Conversion of £51,000 of convertible loan notes into 51,000 shares. £25,000 participation in rights issue and acquisition of £150,000 worth of shares.	Medical research company that is developing a novel vaccine platform.
Jordan Energy	US$1.05 million subscription for ordinary shares.	A company with a concession over one of Jordan's largest oil shale deposits.
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 three tranches.	A company with a large copper/molybdenum deposit in Mexico.
Nektan	£412,531 subscription for ordinary shares.	Developer of a 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 has claims over 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 loan notes convertible into 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, Gourmet Express, Mongolian Minerals, Pan African Uranium and China Molybdenum; these investments are carried at nil or negligible amounts.

Top Ten Investments as at 31 March 2015

The following table lists our top ten investments by value as at 31 March 2015. 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
Buried Hill Energy (Cyprus) Plc	1,749	6,255	4,506	Unquoted
Brazil Potash Corp	2,336	4,956	2,620	Unquoted
Seven Energy Limited	3,492	3,689	197	Unquoted
Union Agriculture Group Corp	1,878	2,659	781	Unquoted
Nusantara Energy Limited	3,153	2,587	(566)	Unquoted
Mediatainment, Inc.	1,015	2,551	1,536	Unquoted
Celadon Mining Limited	4,410	1,990	(2,420)	Unquoted
Mincore Inc.	1,271	1,284	13	Unquoted
Red Flat Nickel Corp	2,271	1,267	(1,004)	Unquoted
Astrakhan Oil Corporation Limited	1,661	1,261	(400)	Unquoted
Total	23,236	28,499	5,263	

Other Significant Developments

Union Agriculture

Union Agriculture is a diversified agribusiness firm that owns and manages over 180,000 hectares of farmland in Uruguay. Under a strong management team, it has continued to grow the business. The company attempted to conduct an IPO in 2011 but the timing was bad and despite a positive initial response the proposed float was pulled. In common with a number of fellow-shareholders, St Peter Port has lobbied the company over the last year to renew its attempts to list. The board finally agreed to put the matter to shareholders and we are very pleased to report that shareholders voted in favour of the company pursuing a "going public transaction" in April. We understand from management that a listing is now being actively pursued and is expected to take place in the Autumn of 2015.

Brazil Potash

Brazil Potash's main task during the year was to submit its social and environmental impact licence to the relevant governmental departments in Brazil which it did in early 2015. Towards the end of March, public consultations were held across 2 days in two local towns which were attended by approximately 1,400 local shareholders in total, whom the company reports were broadly very supportive of its initiatives in the region. A dedicated team within the relevant ministry has been established to consider the licence, and the company expects to have a decision by the end of the summer. Should the licence be granted, as the company expects, we believe this will accelerate a liquidity event for the company.

Seven Energy

Seven Energy continues to make significant advances. In particular, as at 31 March 2015, it had quadrupled the volume of its gas deliveries year-on-year - delivering an average aggregate of 44 million cubic feet per day during the quarter ("MMcfpd") as against less than 10MMcfpd at the same time in the previous year. It now has four customers, with a fifth customer starting to take delivery of gas in the second quarter of 2015. Although the weaker oil price did affect revenues, we note that gas sales accounted for over 30 per cent of revenues in the first quarter. It is our

Investment Manager's Report continued

expectation that if the company can sustain momentum in its gas business, it could be able to achieve an IPO in 2016.

Red Flat Nickel ("RFN")

In February 2015, two senators and two congressmen from the region proposed legislation to Congress seeking to withdraw certain land in South Oregon, including the land on which RFN's claims lie, from mineral entry (in other words, seeking to prevent that land from being mined).

Shortly after learning this, the company took advice. Although quickly reassured that passage of the legislation was extremely unlikely (and this remains the case), it became aware that there are other ways in which similar outcomes could be achieved as a result of the introduction of the bill, without the necessity of the bill actually being passed into law.

In the meantime, the company has been working closely with the Forest Service, which controls activity on the federal land on which RFN's claims lie and whose authorisation is therefore required in order to carry out the further test drilling. The process to obtain this authorisation has been tortuous in the extreme. The Forest Service initially published a draft Decision Memo in December 2013, confirming that it was prepared in principle to grant the permit. However, a large number of objections were raised by the public and environmental lobbyists regarding the possible effect to the environment of the proposed test drilling.

We believe that all comments raised by the public have now been addressed by the Forest Service and up until the notification discussed below, we were hopeful that it would be able soon to publish its final decision concerning the company's ability to conduct test drilling on the land, in order to validate prior resource statements regarding the nickel deposit at the Red Flat site near Gold Beach. However, the notice discussed below may, in the minds of its officials, give another justification for delay.

On 2 July 2015, the company was notified that the Federal Bureau of Land Management and the United States Forest Service proposed to "withdraw" the land where RFN's claims lie. A "withdrawal" would frustrate any further work on the mineral reserves for this period. The "withdrawal" decision is subject to a consultation period ending on 28 September 2015 and to public meetings.

The withdrawal was put forward "in aid of legislation". As the proposed legislation has very little chance of passing through Congress, we have been advised that this may have been procedurally inappropriate.

Taking all this into account, the board of St Peter Port has thought it prudent substantially to provide for the value of its holding in this company, pending further clarity.

Other Reductions in Holding Value

The Company has written down to zero its holdings in Mongolian Minerals, Gourmet Express and Pan African Uranium Inc.

Mongolian Minerals had been in bankruptcy but the court appointed administrator ceased to act earlier in the year on the grounds that there were insufficient assets to cover their own costs, let alone make a distribution to the company's creditors.

Gourmet Express commenced Chapter 11 bankruptcy proceedings in March this year but St Peter Port had already written down its investment in this company to zero. The Chapter 11 bankruptcy process is on-going, and although a sale of the business has been proposed, the estimated consideration for this will likely be significantly less than the amount owed to the company's secured creditors and is therefore unlikely to benefit any of the unsecured creditors including St Peter Port. Nevertheless, we continue to monitor the bankruptcy proceedings.

Pan African Uranium, Inc. was a subsidiary of Homeland Uranium. As already mentioned above, Homeland Uranium was the subject of a reverse takeover at the end of last year. This is because Homeland was a Canadian Registered Issuer and therefore, although not listed, was able quickly to achieve a listing. As part of this transaction, all Homeland's assets were dividended out contemporaneously with the reverse acquisition and so St Peter Port's interest in the asset remains the same. However, the company has run out of money and is unable to pursue its exploration project in Niger. As a result, the board of St Peter Port has decided to provide for its holding in this company entirely.

St Peter Port has reduced the value of its holdings in Astrakhan, Jordan Energy and Mining and Seven Energy. In all three cases, this was to reflect the weaker price of crude oil. The reduction in the holding value of Seven Energy was notwithstanding the strong progress the company has made in growing sales and profits from supplies through its gas network in Nigeria.

St Peter Port has reduced the holding value of its investments in Celadon and Nusantara, to reflect the weak price in coal, and in Manabi and Union Minerals, to reflect the weak iron-ore market.

Finally, the Company has also reduced the holding value of its investments in Cuprum and Mincore, to reflect the weak copper market.

Contributions to Changes in the Valuation of the Portfolio

During the year, currency movements (principally the weakening of sterling as against the US$) have had a positive effect on the value of the portfolio. They have contributed 3.65p to the NAV per share over the full year (as to 0.68p during the first half and as to 2.97p in the second half).

Developments in the Portfolio Not Giving Rise to Value Change

Buried Hill

Buried Hill has the rights to drill a substantial deposit of oil in the Caspian Sea. The deposit straddles the disputed maritime border between Turkmenistan and Azerbaijan which has, to date, prevented the company from commencing drilling operations. Management of the company are nevertheless very optimistic that the relevant energy ministries of both countries will reach commercial understandings, notwithstanding the ongoing border dispute, which will allow the company to commence drilling soon. Relationships between the two countries, which have traditionally been chilly, are warm and a number of presidential meetings have taken place over the last year, demonstrating a willingness on both sides to improve relations and participate in mutually beneficial opportunities in the energy sector, such as those represented by Buried Hill.

Mediatainment - Stream TV Networks

St Peter Port holds an interest in Stream TV Networks (“Stream”), the leading developer of 3D-TV without glasses, through its holding company Mediatainment. During the period, Stream continued to make good progress. As in previous years, it had another successful marketing event at the Consumer Electronics Show in Las Vegas in January. As a result it continued to engender high interest from major global TV manufacturers, games machine vendors, tablet makers and makers of digital displays.

The company has a rapidly growing pipeline of demand which is being converted into firm orders. The company’s main manufacturing partner, Taiwanese firm Pegatron (which also assemble Apple iPads) are gearing up to manufacture the current order schedules. This should lead to volume production towards the end of this year and mass production in 2016.

The company has appointed an investment bank which is currently conducting a private placement. If production achieves the company’s expectations, there are good prospects for an IPO either next year or early 2017.

Activity and Prospects

The first quarter of this financial year has brought little respite to the commodity markets, most of which are currently trading at five year lows, notwithstanding some recent improvement.

A number of companies are in need of working capital to unlock value and the Investment Manager will consider carefully how and which companies to continue to support.

It is interesting to note that there is a little more liquidity generally in the junior markets and we are witnessing a greater level of deal-making. We believe that this is not so much reflective of a return of confidence to the junior Exploration and Production market, rather a collective will to seek to unlock some value by embracing different business models or a shift in value aspirations. We hope that this may help a number of our companies.

Other elements in the portfolio continue to show strong promise and we hope to be able to report further progress with Mediatainment, iQur and Union Agriculture in the next report.

Despite the continued weakness in the commodities markets and in relation to Red Flat, a hostile regulatory environment, we believe that several companies in St Peter Port’s portfolio are at long last getting into a position where they will soon be able to consolidate all the hard work of the last few years and achieve liquidity events in the next eighteen months.

Graham Shore
For and on behalf of
St Peter Port Investment Management Limited
Investment Manager
3 July 2015

Jonathan Paisner
For and on behalf of LMN Capital Limited,
Advisor to St Peter Port Investment Management Limited
3 July 2015

Board of Directors and Investment Advisers

Arthur Leonard Robert Morton (aged 73), 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.

Graham Barry Shore (aged 59), Director

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. 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.

Lynn Bruce (aged 54), 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.

Peter Francis Griffin (aged 56), 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

Jonathan Paisner (aged 46) 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 and was appointed to advise the Investment Manager on 28 July 2014.

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 2015 for St Peter Port Capital Limited ("the Company").

The Directors are responsible for preparing the Annual Report and the Audited Financial Statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 (as amended) (the "Law") requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Company's financial statements in accordance with International Financial Reporting Standards (IFRSs). Under the Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going.

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

Each of the Directors, whose names are set out on page 12 in the Report of the Directors section of the Annual Report, confirms that to the best of their knowledge and belief that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are 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 Auditors are aware of that information.

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

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 2014, no dividend was paid. No dividend will be proposed for the year ended 31 March 2015.

As at 31 March 2015, 2,250,000 (2014: 2,250,000) shares were held in treasury. During the year ended 31 March 2015 the Company repurchased 2,500,000 of its ordinary shares at a cost of £1,381,306. The share buy back in the year ended 31 March 2015 represented 3.6% of the total ordinary shares issued and fully paid.

Going concern

The Company's directors have prepared the financial statements on a going concern basis. The Directors consider this to be appropriate as they believe that the Company has sufficient cash to meet its operating expenditure for the foreseeable future and in addition has the ability to dispose of investments to generate further cash resources should this be necessary.

Report of the Directors continued

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) (resigned 28 July 2014)
Lynn Bruce (Director)
Peter Francis Griffin (Director)

At 31 March 2015 the Directors' interests in the Ordinary Shares of the Company were as follows:

		2015 Ordinary shares	2014 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	**nil**	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 2015 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:

	2015 £	2014 £
Arthur Leonard Robert Morton (Chairman)	**nil**	nil
Graham Barry Shore (Director)	**nil**	nil
Lynn Bruce (Director)	**15,000**	10,654
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 Shore has waived his entitlement to a Director's fee but is able to recover reasonable expenses.

Substantial shareholdings

At 31 March 2015 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	**13,011,870**	20.26%
Nortrust Nominees Limited (GSYA) ACCT		**5,225,000**	8.14%
Schweco Nominees Limited 17316 ACCT		**4,315,000**	6.72%
Ferlim Nominees Limited Pooled ACCT	2	**3,456,200**	5.38%
The Bank of New York Nominees Limited		**2,923,900**	4.55%
Nortrust Nominees Limited (TDS) ACCT		**2,705,224**	4.21%
Pershing Nominees Limited (SKCLT) ACCT		**2,500,000**	3.89%
Lynchwood Nominees Limited		**2,500,000**	3.89%

1. Includes 13,011,870 (2014: 13,051,870) 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.

Independent Auditors

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

L. Bruce
Director

P. F. Griffin
Director

Date: 3 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 ("the Company") for the year ended 31 March 2015 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 2015 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: 3 July 2015

Statement of Financial Position

As at 31 March 2015

	Notes	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	12	**32,119**	56,502
Loans and other receivables	13	**1,403**	1,462
Cash and cash equivalents	14	**4,379**	4,925
Total assets		**37,901**	62,889
Liabilities			
Current liabilities			
Trade and other payables	15	**112**	86
Total liabilities		**112**	86
Net assets		**37,789**	62,803
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	16	**–**	–
Share premium	17	**–**	–
Special reserve	17	**66,361**	67,741
Revenue reserve		**(28,572)**	(4,938)
Total Equity		**37,789**	62,803
Net asset value per Ordinary Share (pence per share)	19	**58.84**	94.13

Approved by the Board of Directors on 3 July 2014

L. Bruce
Director

P. F. Griffin
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 2015

Income	Notes	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Net losses on financial assets at fair value through profit or loss	12(c)	**(21,712)**	(9,637)
Gains/(losses) on foreign exchange		**46**	(12)
Interest income	4	**36**	35
Other income	4	**3**	42
Net investment loss		**(21,627)**	(9,572)
Administrative expenses	2(d)	**(2,007)**	(2,217)
Net loss from operations		**(23,634)**	(11,789)
Loss for the year attributable to shareholders of the Company		**(23,634)**	(11,789)
Basic and diluted (loss) per Ordinary Share (pence)	11	**(36.34)**	(17.67)

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 2015

	Notes	Special Reserve £'000	Revenue Reserve £'000	Total £'000
Opening balance at 1 April 2014		**67,741**	**(4,938)**	**62,803**
Redemption of shares		**(1,380)**	**–**	**(1,380)**
Loss for the year	18	**–**	**(23,634)**	**(23,634)**
Balance at 31 March 2015		**66,361**	**(28,572)**	**37,789**
For the year ended 31 March 2014				
Opening balance at 1 April 2013		67,741	6,851	74,592
Loss for the year		–	(11,789)	(11,789)
Balance at 31 March 2014		67,741	(4,938)	62,803

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

Statement of Cash Flows

For the year ended 31 March 2015

	Notes	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cash flows from operating activities			
Interest and investment income received		**35**	35
Operating expenses paid		**(2,296)**	(2,063)
Net cash used in operating activities		**(2,261)**	(2,028)
Cash flows from investing activities			
Sale of investments		**3,367**	3,420
Purchase of investments		**(219)**	(1,272)
Cash inflow from investing activities		**3,148**	2,148
Cash flows from financing activities			
Loans to subsidiaries		**(50)**	(155)
Purchase of own shares	17	**(1,380)**	–
Cash outflow from financing activities		**(1,430)**	(155)
Cash outflow for the year		**(543)**	(35)
Exchange losses during the year		**(3)**	(7)
Opening cash and cash equivalents		**4,925**	4,967
Closing cash and cash equivalents	14	**4,379**	4,925

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 2015

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 adopted 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 page 39. The Company's website is www.stpeterportcapital.gg.

The Company is admitted on the AIM market of the London Stock Exchange.

2. Summary of Significant Accounting Policies

This financial information for the year ended 31 March 2015 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 (as noted in the Directors report on page 11) 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 2015

IFRS 10 "Consolidated Financial Statements" Investment Entities Amendment as issued provides an exception to consolidation requirements for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IAS 39. The standard is effective for annual periods beginning on or after 1 January 2014.

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(i) New standards and amendments mandatory for years ended 31 March 2015 (continued)

For the year ended 31 March 2014, the Company early adopted IFRS 10 "Consolidated Financial Statements" and has adopted the Amendments, "Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)" for the year ended 31 March 2015. Under the transitional provisions of IFRS 10, this change in accounting policy is required to be accounted for retrospectively. The Amendments have had no further material impact on the Company.

(ii) New Standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2014 and not early adopted

The Company did not adopt new or amended standards in the year that have yet to become effective. None of these are expected to have a material effect on the financial statements of the Company.

IAS 24, "Related Party Disclosures" amendment adds an entity to the definition of key management personnel when that entity or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity and is effective for annual periods beginning on or after 1 July 2014. Amounts incurred by the Company for the provision of key management personnel services by a separate management entity shall be disclosed. The amendment is not expected to have any impact on the Company's financial position or performance but will require additional disclosures.

IFRS 9 "Financial Instruments", addressed the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 14 "Regulatory Deferred Accounts" was issued in January 2014 and will become effective for the periods beginning on or after 1 January 2016. The new standard is not expected to have any impact on the Company's financial position, performance or disclosures in its financial statements.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and will become effective for periods beginning on or after 1 January 2017. The new standard is not expected to have any impact on the Company's financial position, performance or disclosures in its financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

(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 £102,112 during the year ended 31 March 2015, (2014: £105,457).

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.

Notes to the Financial Statements continued

For the year ended 31 March 2015

2. Summary of Significant Accounting Policies (continued)

(b) Subsidiaries (continued)

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.

(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 2014 and 2015 was St Peter Port Investment Management Limited, the Administrator which for the years ended 31 March 2014 and 2015 was Intertrust Fund Services (Guernsey) Limited, and the Registrar which for the years ended 31 March 2014 and 2015 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 2015 £'000	31 March 2014 £'000
Administration fees	**69**	76
Audit fees	**60**	82
Investment Management fees	**1,490**	1,682
Legal and professional fees	**204**	245
Directors and Consultancy fees	**90**	89
Insurance	**10**	10
Sundry expenses	**33**	33
Management fees receivable from an investee company written off	**51**	–
	2,007	2,217

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 sectors:

Financial assets	31 March 2015 £'000	%	31 March 2014 £'000	%
Oil & Gas	**12,226**	**38.06**	13,942	24.68
Mining	**7,878**	**24.53**	29,364	51.97
Technology	**3,911**	**12.18**	3,470	6.14
Agriculture / Forestry	**8,104**	**25.23**	9,034	15.99
Renewable energy	**–**	**–**	12	0.02
Other	**–**	**–**	680	1.20
	32,119		56,502	

And in companies with the following countries of domicile.

Financial assets	31 March 2015 £'000	%	31 March 2014 £'000	%
Australia	**117**	**0.36**	216	0.38
Brazil	**795**	**2.48**	1,531	2.71
Canada	**6,470**	**20.14**	12,024	21.28
Cyprus	**6,255**	**19.47**	5,566	9.85
United Kingdom and Ireland	**9,864**	**30.71**	12,573	22.25
United States of America	**3,819**	**11.89**	13,206	23.37
Russia	**1,261**	**3.93**	2,985	5.28
Uruguay	**2,727**	**8.49**	3,346	5.92
Niger	**473**	**1.47**	1,448	2.56
Panama	**338**	**1.05**	3,607	6.38
	32,119		56,502	

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 2015

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 2015 and 2014 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 2015 and 2014 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(h)(i).

4. Interest and Other Income

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Bank and broker interest	**36**	35
Total interest received	**36**	35
Sundry income	**3**	42
Total other income	**3**	42

Sundry income relates to dividends and interest received from investments. There were no management fees received from an investee company for the year ended 31 March 2015 due to these being written off. (2014: £41,812).

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 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 2015 amounted to £69,025 (2014: £75,689) with £14,530 (2014: £13,500) 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 2015 amounted to £1,109,139 (2014: £1,384,123) with £12,491 payable (2014: £6,172 payable) at the year end. Reimbursements to the Investment Manager for the year to 31 March 2015 amounted to £379,637 (2014: £297,727) with £7,976 receivable at the year end (2014: £70,319 receivable).

The Investment manager is owned 50% by Broughton Limited and 50% by Shore Capital Group Limited. Tim Childs (a Director of the Company who resigned on 28 July 2014) has an interest as a beneficiary and settlor 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. 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 Shore has waived his entitlement to a Directors fee but is able to recover reasonable expenses. Total directors' fees for the year to 31 March 2015 amounted to £30,000 (2014: £29,404) with £15,000 (2014: £7,500) outstanding at the year end. Total consultancy fees for the year amounted to £60,000 (2014: £60,000).

Notes to the Financial Statements continued

For the year ended 31 March 2015

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 2015 amounted to £30,917 (2014: £30,035) with nil (2014: nil) outstanding at the year end.

9. Nomad Fees

Under the Nominated Adviser 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 adviser of the Company.

Total Nomad fees for the year to 31 March 2015 amounted to £30,000 (2014: £27,527) with nil (2014: £nil) prepaid at the year end.

10. Audit Fees

Audit fees for the year to 31 March 2015 amounted to £60,000 (2014: £81,773) with £60,000 (2014: £58,000) outstanding at the year end.

11. Loss Per Ordinary Share

The calculation of basic (loss) per Ordinary Share is based on the net loss from continuing operations for the year of £23,634,000 (2014: £11,789,000 net loss) and on 65,036,568 (2014: 66,721,500) 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 or Loss

(a) Designated at fair value through profit or loss

	Historic cost at 31 March 2015	Market Value at 31 March 2015	Historic cost at 31 March 2014	Market Value at 31 March 2014
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Listed equity securities	**7,770**	**944**	9,937	1,789
Unlisted equity securities	**38,281**	**29,115**	39,310	43,577
Unlisted debt securities	**3,733**	**2,060**	3,733	11,136
Total financial assets at fair value through profit or loss	**49,784**	**32,119**	52,980	56,502
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	**–**	**–**	–	–
	–	**–**	–	–

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

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

For the year ended 31 March 2015	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2014	**43,577**	**1,789**	**11,136**	**56,502**
Purchase at cost	**219**	**–**	**–**	**219**
Movement to listed during the year	**(598)**	**598**		**–**
Disposal proceeds	**(1,381)**	**(1,986)**	**–**	**(3,367)**
Realised profits/(losses) on disposals	**632**	**(1,821)**	**–**	**(1,189)**
Movement in net unealised (losses)gains on revaluation of investments	**(13,334)**	**2,364**	**(9.076)**	**(20,046)**
Valuation at 31 March 2015	**29,115**	**944**	**2,060**	**32,119**
Book cost at 31 March 2015	**38,281**	**7,770**	**3,733**	**49,784**
Net unrealised losses at 31 March 2015	**(9,166)**	**(6,826)**	**(1,673)**	**(17,665)**
Valuation at 31 March 2015	**29,115**	**944**	**2,060**	**32,119**

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

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

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Realised loss on disposal	**(1,189)**	(3,363)
Investment income	**–**	–
Unrealised loss on revaluation	**(20,523)**	(6,274)
Total losses on financial assets at fair value	**(21,712)**	(9,637)

Notes to the Financial Statements continued

For the year ended 31 March 2015

12. Financial Assets and Liabilities Held at Fair Value through Profit or 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 2015.

As at 31 March 2015

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	**944**	**–**	**–**	**944**
Unlisted equity securities and debit	–	**–**	**31,175**	**31,175**
Assets measured at fair value	**944**	**–**	**31,175**	**32,119**

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

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 crystallise 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. Note 2(f) gives general guidance on the valuation approach adopted.

Whilst the majority of the Level 3 investment valuations are based on fund raising activity, some of this activity is more than a year old and in all cases may not be representative of the ultimate realisable value, which may be significantly higher or lower than the current valuation. In a number of investments, significant milestones need to be achieved in order to unlock the realisable value of these investments.

The in-situ valuations require a significant level of judgement to be applied given the early development or exploration stage of the investments. This is reflected in the large discounts applied to long-term commodity prices, and in all cases may not be representative of the ultimate realisable value of the instrument held by the Company, which may be significantly higher or lower than the current valuation. Again, significant milestones need to be achieved in order to unlock the realisable value of these investments.

Overall, the Directors believe that the individual valuations which have been determined are based on the best available information and each has involved the appropriate valuation methodology.

12. Financial Assets and Liabilities Held at Fair Value through Profit or 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 At 31 March 2015	Fair Value £'000 At 31 March 2014	Reason for any changes in valuation techniques from prior year	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Market comparable transaction based on recent fundraising activity.	20,828	25,084	None	The timing of transactions relative to the balance sheet date requires events and developments to be reflected in fair value through discount or write up.	Positive market, operational and other factors reduce the applied discount or increase the write up.
Discounted cashflow or market comparable transaction based on in-situ valuation using confirmed resources and current long-term commodity price estimates; discounted for political risk, funding risk, and project stage.	5,568	19,718	None	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).
Discounted cash flow based on independent third party valuations of land and mineral right.	3,674	7,348	None	The third party valuations use a variety of unobservable inputs, depending on the asset and methodology used. The key input being discount rate used.	The unobservable inputs will impact on the valuations in a manner that depends upon the input, asset and methodology applied. A lower discount rate would result in higher fair values.
Discounted cash flow based on expected liquidation value, using management's expectations and market conditions.	1,105	2,563	Resulting from Gourmet Express filing for Chapter 11 bankruptcy protection and the investment being written down to nil.	Expectations in relation to the outcome or timing of events and conditions related to the disposal of assets.	Positive market, operational and other factors reduce the applied discount or increase the write up.

Notes to the Financial Statements continued

For the year ended 31 March 2015

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

(e) Fair Value Measurement (continued)

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 2015:

	Reflected in profit or loss	
	Favourable change £'000	Unfavourable change £'000
Unquoted investments – in situ valuaitons	16,173	9,418

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.

The undiscounted valuations are based on oil prices of US$60- US$85/bbl and coal prices of US$32/t.

(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 2015 £'000	Transfer from Level 3 to Level 1 Year ended 31 March 2014 £'000
Financial assets		
Equity securities	**598**	–

Investments are transferred from Level 3 to Level 1 when they become listed.

(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 2015 £'000	31 March 2014 £'000
Opening balance at 1 April	**54,713**	62,996
Unrealised losses during the year (refer to note 12(b))	**(22,410)**	(8,973)
Realised (losses)/gains during the year (refer to note 12(b))	**632**	(580)
Transfer to listed equity securities during the year	**(598)**	–
Purchases	**219**	1,270
Disposals	**(1,381)**	–
Assets as at 31 March	**31,175**	54,713

13. Loans and other Receivables

	31 March 2015	31 March 2014
	£'000	£'000
Receivable from subsidiary companies	**1,386**	1,347
Sundry debtors	**9**	108
Prepayments	**8**	7
	1,403	1,462

14. Cash and Cash Equivalents

	31 March 2015	31 March 2014
	£'000	£'000
	4,379	4,925

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 2015 was 0.78% (2014: 0.84%). The Company has no material interest bearing liabilities.

15. Trade and other Payables

	31 March 2015 £'000	31 March 2014 £'000
Administration fee payable	**13**	14
Directors' fees payable	**15**	8
Audit fee payable	**60**	58
Sundry creditors	**24**	6
	112	86

16. Share Capital

Founder Shares	31 March 2015 £'000	31 March 2014 £'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.

Notes to the Financial Statements continued

For the year ended 31 March 2015

16. Share Capital (continued)

Ordinary Shares

There are an unlimited number of ordinary shares of nil par value authorised. At the end of the reporting period 64,221,500 (2014: 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 (2014: 2,250,000) Ordinary Shares held in Treasury at 31 March 2015.

17. Share Premium and Special Reserve

	31 March 2015 £'000	31 March 2014 £'000
Share Premium	**–**	–
Special reserve		
Opening balance	**67,741**	67,741
Ordinary shares repurchased	**(1,380)**	–
Closing balance	**66,361**	67,741

Refer to note 20 for details of shares repurchased.

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.

18. Dividends (continued)

(b) Performance Dividends (continued)

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 2015 (2014: nil).

19. Net Asset Value per Share

	31 March 2015 £'000	31 March 2014 £'000
Net Asset Value	**37,789**	62,803
Ordinary Shares in issue	**64,222**	66,722
Net Asset Value per Ordinary Share (pence per share)	**58.84**	94.13

The Net Asset Value per Ordinary Share is based on the Net Asset Value at the end of the reporting period and on 64,221,500 (2014: 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.

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 2015 amounted to £379,637 (2014: £297,727) with £7,976 receivable at the year end (2014: £70,319 receivable).

During the year, the Company re-purchased 2,500,000 ordinary shares from Broughton Limited (see note 6) via an on-market exchange for cash at the price of 55.25p per share, following which Broughton Limited no longer held an interest in the Company. The ordinary shares were then cancelled. With the Share Repurchase consideration of £1,381,250, Broughton Limited immediated purchased part of one of the Company's portfolio assets being 940,819 shares in Brazil Potash. This represented 24.3% of the Company's holding at a price of US$2.50 per share and included an option over a maximum of 940,819 Brazil Potash Shares exerciseable until 30 September 2015 at a strike price of no less than US$2.50 per share.

21. Subsequent Events

Subsequent to the year end, the Company has partly realised investments for a total consideration of £85,000.

Notes to the Financial Statements continued

For the year ended 31 March 2015

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 2015		**31 March 2014**	
	Fair Value	**% of Net Assets**	**Fair Value**	**% of Net Assets**
	£'000		£'000	
Pre-IPO Investments (including corporate debt)	**31,175**	**82.50**	54,713	87.12
Listed Investments	**944**	**2.50**	1,789	2.85
	32,119	**85.00**	56,502	89.97

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 £368,026 (2014: £358,000).

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 2015	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Equity Securities	**0.00%**	**–**	**32,119**	**32,119**
Floating interest rate cash at bank	**0.78%**	**4,379**	**–**	**4,379**
Other receivables and prepayments	**0.00%**	**–**	**1,403**	**1,403**
Total assets		**4,379**	**33,522**	**37,901**
Liabilities				
Trade and other payables	**0.00%**	**–**	**112**	**112**
Total interest sensitivity gap		**4,379**	**33,410**	**37,789**

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	–	4,925
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

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 2015

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 2015		31 March 2014	
Currency	**Value**	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
Australian Dollar	**130**	**0.34**	244	0.39
Canadian Dollar	**1,989**	**5.26**	7,711	12.28
US Dollar	**24,838**	**65.73**	41,209	65.62

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 £6,500 (2014: £12,000) in the case of Australian Dollars, £209,800 (2014: £386,000) for Canadian Dollars and £1,683,100 (2014: £2,060,000) 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 £6,011,729 (2014: £9,073,000). 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 assets	31 March 2015 % of Net Assets	31 March 2014 % of Net Assets
Equity investments:		
Unlisted equities	**77.05**	69.39
Listed equities	**2.50**	2.85
Debt instruments:		
Corporate debt	**5.45**	17.73
Total investments assets	**85.00**	89.97

(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 2015

All amounts stated in £'000	Less than 1 month	1–3 months	3 months to 1 year	No stated maturity
Accrued expenses	**112**	**–**	**–**	–
	112	**–**	**–**	–

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	–	–	–

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 2015 £'000	31 March 2014 £'000
Investments in debt instruments	**2,060**	11,136
Cash and cash equivalents	**4,379**	4,925
Other assets	**1,403**	1,462
Total	**7,842**	17,523

Notes to the Financial Statements continued

For the year ended 31 March 2015

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 2015 % of Net Assets	31 March 2014 % of Net Assets
Oil & Gas	**2.10**	1.32
Mining	**3.35**	15.35
Other	**–**	1.06
Total	**5.45**	17.73

Out of the totals above, 3.35% (2014:15.25%) 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

12 August 2015

NOTICE IS HEREBY GIVEN THAT THE EIGHTH 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 3RD SEPTEMBER 2015 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 2015.
2. To consider the re-appointment of Peter Francis Griffin 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 2016 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

St Peter Port Capital Limited
Notice of Annual General Meeting continued

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, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** 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 10th September 2015 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)
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 Advisors to the Company as to English Law
Beachcroft LLP
10-22 Victoria Street
Bristol
BS99 7UD

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
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Legal advisor to the Company as to Guernsey Law
Carey Olsen
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St. Peter Port
Guernsey GY1 4BZ

Guernsey Bankers
ABN AMRO (Guernsey) Limited
(formerly MeesPierson (CI) Limited)
PO Box 253
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Admiral Park
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The Royal Bank of Scotland
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