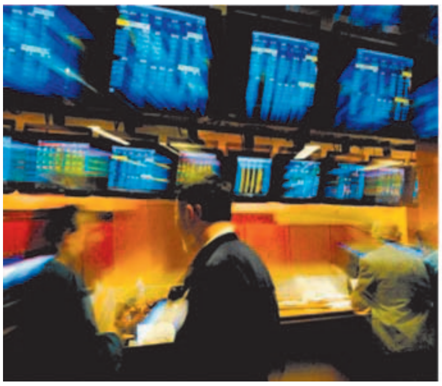
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

Contents

Highlights

- Investments in 19 companies* at year end valued at £20.9m
- NAV of 37.48p per share at 31 March 2016, down 36 per cent. on the year and 19 per cent. since 30 September 2015
- £588,000 realised since 1 April 2015, of which £440,000 was achieved during the year and a further £148,000 since the year end
- At year end, £66 million realised since inception
- £3.1 million in cash as at 30 June 2016

* excluding companies entirely written down

Lynn Bruce, Chairman of St Peter Port, said:

"Although sentiment in the commodities markets has improved in the last couple of months, the year under review remained challenging. We have made further consequential reductions to the holding value of a number of our investments.

There have been positive developments for some of our portfolio companies and we remain committed to achieving realisations where we believe fair value is being offered."

iQur – Developing a novel vaccine platform

Chairman's Statement

Introduction

I am pleased to report on the year ended 31 March 2016.

Background and Investment Approach

As we approach the summer, commodity markets are off the multi-year lows at the time of the half year results, with oil hovering at the $50 per barrel level. Nevertheless, financing still remains largely out of reach for smaller E&P companies.

We took advantage of spikes in the public markets to sell down some of our smaller listed positions, including a complete exit of Australian-listed Magnetite Mines (previously Royal Resources), an iron-ore project which has suffered a dramatic slide in its share price over the last couple of years as demand for steel fell heavily. Following the year-end, we were able to sell down in their entirety our listed positions in Royal Nickel and Enhanced Oil Resources.

Given market conditions, we have made further write-downs to the holding value of a number of our portfolio companies, all as discussed in further detail below. We continue to work with management and, where appropriate, fellow shareholders, attempting to create value, whether through an exit or other collaboration. As commented at the half year, however, a number of projects simply require funding and whilst there is limited appetite to fund these types of project at present, these companies' management can only adopt a conservative and value protecting (as opposed to value enhancing) stance in several cases.

Realisation and Investments

During the financial year, the Company realised (or partly realised) investments generating £308,000. In addition, one of our companies made a capital distribution of £132,000. Since the year end it has realised a further £148,000.

Since admission, the Company has (as at the end of the year) realised £66 million through disposals, generating a gain on these investments of 40 per cent.

The Company made no new investments during the year.

Financial Results

The balance sheet shows investments (including those which now have a listing) of £20.9 million, consisting of Financial assets at fair value through profit or loss of £20.6 million and £0.3 million held in Loans and other receivables. Net assets were £24.1 million, giving a net asset value of 37.48p per share. Net assets have decreased by 19 per cent. since the interim results as at 30 September 2015. The changes result primarily from write downs to valuations discussed in the Investment Manager's Report.

At the balance sheet date, the Company held £3.2 million in cash. As at the close on 30 June 2016, the Company held £3.1 million in cash.

Board Change

Towards the end of the year, Bob Morton, our chairman since inception, stepped down and I took his place as chairman. We would like to record our thanks to Bob for his contribution to the Company and wish him well for the future.

Union Agriculture – Field harvest

Dividends

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

Outlook

We believe that our top five investments (by current value) are capable of generating strong returns. Indeed, management of all five companies have delivered against their business plans in difficult market places. Nevertheless, exits for some of these companies (Brazil Potash and Stream TV) will probably depend on their raising significant additional funds. In the meantime, Buried Hill (which is substantially-fully financed by its co-venturer) has a PSA in respect of one of the world's largest acknowledged oil basins. However, unless a commercial resolution is found to a geo-political issue regarding borders, the company may never get the opportunity to drill for oil there. Union Agriculture has amassed one of the largest agricultural land bases in Uruguay and is looking to list on the Toronto Stock Exchange, which should provide a liquidity opportunity. At an operating level, however, its business is highly geared to the price of soya beans, and currently this is low. Finally, Seven Energy continues successfully to build its gas delivery business, but economic and security conditions in Nigeria remain highly challenging.

The majority of our holding values have been based on recent (post the year-end) fundraising activity by the companies themselves. This explains in large part the further reduction in net asset value since the half year. Often, the only funding available has come from the existing shareholder base who have demanded that their companies issue shares at a deeply discounted rate. This prejudices those shareholders who are unwilling or unable to continue to support the companies and, should alternative funding remain hard to come by for these small E&P companies, there is likely to be further value erosion.

At the time of St Peter Port's admission to AIM, the company undertook to shareholders that every five years the shareholders would be afforded the opportunity to determine whether the Company should continue as an investing company admitted to trading on AIM or should instead be wound up by the Directors and the Investment Manager. In June 2012, shareholders of St Peter Port Capital approved a resolution that the Company should continue as an investing company and a similar resolution will be put to shareholders in May next year. The Directors and Investment Manager recognise that shareholders are likely to prefer an orderly winding-up of the Company to commence at that time or for there to be some other mechanism put into effect to realise the remaining value of the Company. We continue to seek liquidity throughout the portfolio and to investigate all options for delivering value to our shareholders.

Lynn Bruce
Chairman
1 July 2016

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, nickel, uranium 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 listed in Canada or Australia as well as on the London AIM Market. We have been actively disposing listed holdings where there is sufficient liquidity. Of the total portfolio, only around £247,000 (by value) was listed as at 31 March 2016, representing 1.2 per cent. of the invested portfolio at that date. Since the year end, SPPC has made further sales of listed securities.

The following table shows the breakdown by sector of the investments (including investments which are now quoted) as at 31 March 2016:

Investments by Sector as at 31 March 2016

Sector	Number	Cost £m	Book Value £m	Percentage (of value)
Mining	8	15.2	7.8	37.3
Oil and Gas	4	5.6	6.7	32.1
Technology	3	2.0	3.3	15.8
Ag. / Forestry	2	3.0	2.8	13.4
Other	2	1.7	0.3	1.4
Total	19	27.5	20.9	100.0

Investments

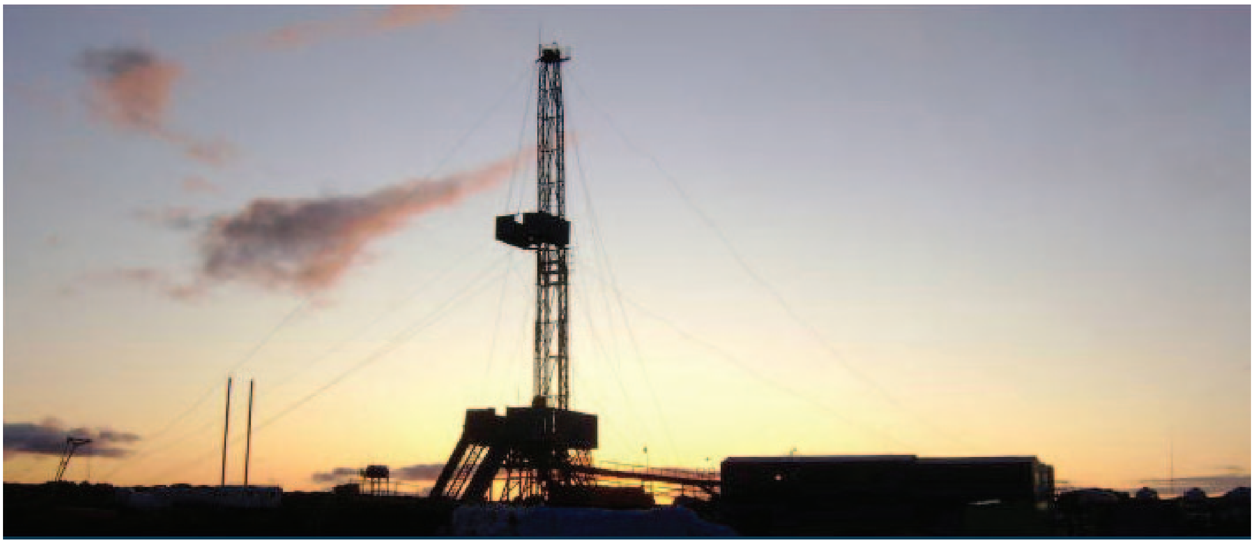
During 2015/6 the Company made no additional investments.

Realisations

During the year, in addition to selling its entire holding in Magnetite Mines (previously Royal Resources), the Company also sold down shares in several other listed companies, as liquidity allowed. In addition, Manabi (now renamed MLog) made a capital distribution of £132,000.

In total, all these disposals (and the capital distribution) realised £440,000 in cash.

Subsequent to the year end, the Company has sold down interests in listed positions generating a further £148,000.



Drilling for oil – an important element in our portfolio

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
Brazil Potash	US$2.5 million subscription for ordinary shares. Further US$1.5 million subscription for ordinary shares. US$937,000 to exercise warrants.	Potash exploration and development on licenses covering 22.5 million hectares in the Amazon Potash Basin. Recently completed a Bankable Feasibility Study.
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.
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.
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 otherwise be readily exploited because of environmental considerations.
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. Holding sold in full after balance sheet date.
Global Atomic	CDN$2 million subscription for ordinary shares.	Uranium exploration and development company which has discovered a high-grade uranium deposit in Niger.
IQur	£0.5 million subscription for ordinary shares. Further £51,000 in convertible loan notes.	Medical research company that is developing a novel vaccine platform.
Jordan Energy	US$1.05 million subscription for ordinary shares.	A company with a concession over one of Jordan's largest oil shale deposits.
MLog (previously Manabi Minerals)	US$2 million for ordinary shares.	Brazilian iron ore company with road/rail and port developments. From Nov 2015, also support vessels to Oil and Gas industry.
Mediatainment	US$2 million subscription for ordinary shares.	Mediatainment is the holding company for an investment in Stream TV ("Stream"). Stream has developed a solution to provide 3D TV without glasses in very high (4K) resolution.

Investment Manager's Report continued

Portfolio – Detail continued

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.
Royal Nickel	CDN$4 million subscription for ordinary shares	Canadian nickel developer with a world-class nickel deposit in northern Quebec. Holding sold in full after the balance sheet date.
Seven Energy	US$5 million subscription for loan notes convertible into ordinary shares	Nigerian oil and gas producer and distributor of gas 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, China Molybdenum, East Siberian Plc, Cuprum Resources, Caracara Silver, Astrakhan Oil and International Goldfields; these investments are carried at nil or negligible amounts.

Top Five Investments as at 31 March 2016

The following table lists SPPC's top five investments by value as at 31 March 2016 representing 77% of the portfolio. Where SPPC holds more than one instrument in a company, the holdings have been aggregated.

Company	Cost £ 000's	Valuation £ 000's	Gain/ (Loss) £ 000's	Status
Brazil Potash Corp	1,507	5,101	3,594	Unquoted
Buried Hill Energy (Cyprus) Plc	1,770	4,024	2,254	Unquoted
Mediatainment	1,022	2,626	1,604	Unquoted
Union Agriculture	1,889	2,398	509	Unquoted
Seven Energy Limited	2,721	1,987	(734)	Unquoted
Total	8,909	16,136	7,227	

Other Significant Developments

MLog

SPPC invested into Manabi SA, which raised money to develop a very large iron ore deposit in Brazil in 2011. With the huge fall in the price of iron ore, the company sought to diversify by seeking planning consent to build a port and associated infrastructure.

In 2015, Manabi effectively sold itself to the shareholders of Maverick Logistica by effecting a combination of the business of both companies, paid out to the Manabi shareholders a substantial amount of the cash then sitting on its balance sheet and was renamed MLog. Now under completely new management, the combined group has maintained its interests in the iron ore and port development projects, but is focussing on the charter of offshore support vessels operating in the oil and gas industry. MLog recently reported that it had executed its first chartering contract with Petrobras and that a number of further contracts are under negotiation. Given the much reduced scale of the company's activities, SPPC has written down its holding value of this investment.

Brazil Potash

Brazil Potash reported at the end of July that it had obtained its Preliminary Licence, one of the three key licences required to develop a mine in Brazil. As this is the environmental licence and the only one which requires consultations with the public, the company believes that the licence grant significantly underpins value in the project.

Following the year end, the company informed us that it had completed its Bankable Feasibility Study and is now conducting a private placement, seeking to raise funds at a premium of 33-50 per cent. above SPPC's holding value. Should this raise be successful, the Company will review upwards its holding value of this investment.

We visited Manaus (Brazil) in late October and participated in various site meetings which had been arranged for the benefit of potential strategic investors as well as existing shareholders.

We remain strongly persuaded by the commercial rationale underlying the project (now underscored by the Bankable Feasibility Study) as well as its strategic importance to the country and the potash industry. We are also mindful of the deep economic problems that Brazil has experienced since the end of the commodities "super cycle", the worsening political turbulence it now faces and, not least, that the capital sums required for a project of this nature are large.

Seven Energy

Seven Energy is a leading integrated gas company in south east Nigeria, with upstream oil and gas interests in the region. It recently announced its results for both the year ended 31 December 2015 and, in late May, its results for Q1 2016.

It has been an important year for the company. Although the weak oil price has substantially hit the company's revenue from oil production, its total gas deliveries trebled (year-on-year) to an average of 70 million standard cubic feet per day during 2015 and this increased to over 100 million in the first quarter of 2016.

In addition, the company raised US$100 million of new equity during the period under review, has undertaken a substantial reduction of its central costs and has lower CAPEX commitments going forward (as it reaches completion of construction of its gas pipeline).

Although we view all these achievements positively, we note that the company is still highly geared. Most of its debt has been extended, but it still must now deal with a relatively small parcel of debt that matures this calendar year.

We believe that Seven Energy has established itself as an important player in what is one of Africa's fastest growing nations and largest economies. The company has demonstrated repeatedly its ability to raise considerable funds from the international markets, and it continues to demonstrate the scalability and value of its gas delivery model. We remain hopeful that these positive developments will lead to an exit opportunity eventually, but we remain cautious. The Nigerian economy is highly geared to the price of oil and it is not yet clear what effect the continuing depressed price of oil has had on Nigeria's banks, amongst other things. The Nigerian economy (and currency) is weak and this is compounded by a worsening security situation in the country, including parts in which the company operates. SPPC has written down its holding value of this investment to the value at which the company raised US$100 million earlier in the year.

Red Flat Nickel

SPPC is the indirect owner of 80 per cent. of the issued share capital of Red Flat Nickel Corporation ("RFNC"), a Las Vegas company which owns 86 claims on top of Red Flat Mountain ("Gold Beach") and some 137 claims on the McGrew Summit ("Cleopatra"). Both the Gold Beach and Cleopatra claims lie on federal land, which is administered by the United States Forest Service (a part of the United States Federal Department of Agriculture).

SPPC initially invested into RFNC by way of a loan note (a bridging loan prior to a planned IPO) which converted into equity in the event of non-payment.

Technical reports from 2007 and 2009 had revealed significant quantities (and at relatively high grades) of Nickel Ore at Gold Beach and at Cleopatra. Further test drilling was required to complete these technical reports but RFNC was not able to conduct this test drilling without Forest Service consent. Despite RFNC's vigorous efforts to gain this consent the Forest Service delayed for several years, blaming local opposition as well as lack of resources within the Forest Service. In 2015, local Senators introduced a bill to withdraw from mineral extraction the lands over which RFNC owns its mining claims and then

Investment Manager's Report continued

moved to have this land segregated "in aid of legislation".

At the half year, we reported that Red Flat had submitted a detailed letter of opposition to the US Bureau of Land Management's proposal to withdraw certain lands from mineral extraction. On 27 April, the Forest Service issued an environmental assessment in relation to the proposed works on the affected land. We note that the majority of works Red Flat had proposed (in connection with further test drilling at the sites) were deemed to have little or no impact on the environment. Nevertheless, they recommend segregation for other reasons.

SPPC continues to maintain the claims and company in good order pending the results of the 2016 presidential election, which could alter the legislative environment considerably for those looking to mine strategic metals in the United States and boost the economy.

In the meantime Red Flat is also working to establish whether its interests accrued in the period prior to last year's publication of notice of proposed withdrawal qualify as Valid Existing Rights which may, in due course, entitle the company to compensation. SPPC has again revised downwards the holding value of its interest in the company.

Other Reductions in Holding Value

During the year under review, the company has written down its interest in Cuprum Resources to an aggregate holding value of US$1. This was due to a number of reasons, including SPPC's local partner being unable to deliver on a number of its commitments to the company but also the fact that title to the claims had become mired in a complicated and non-transparent judicial process. SPPC took the decision that it could not justify the expenditure of significant further resources in trying to progress this project on its own. SPPC remains open to discussing collaboration with experienced potential parties who could add value to the project (although with copper prices at their current levels, even the most promising exploration projects are having trouble being funded) and, should SPPC find a potential partner in the near future, it may review the holding value of this asset on its books at that time.

A number of companies within the portfolio announced rights issues following the year end. Mincore, the owner of a copper project in Mexico and Kerogen Shale (formerly Jordan Energy and Mining Limited), which owns the rights to mine for shale oil in Jordan, each announced that they were raising money for the purposes of maintaining their respective exploration projects in good standing. St Peter Port did not take up its rights in either and as a result, the holding values of both investments have been written down.

Finally, we reported at the half year that one of the portfolio companies had conducted a conditional rights issue which would only take place in the event of it reaching agreement on new terms with its senior lenders. Although SPPC did not participate in this conditional rights offer, the company concerned – Astrakhan Oil – has still not been able to reach terms with the senior lender and this has forced it to put its Russian operating companies into a form of bankruptcy protection. Although we hope that there may yet be a positive resolution for the company, the board of SPPC has written down this asset as any accommodation with the company's senior lenders is likely to require a recapitalisation of the company and equity fund raise that will significantly dilute any non-participating shareholders.

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 1.53p to the NAV per share over the full year (as to a 2.42p decrease during the first half and as to a 3.95p increase in the second half).

Developments in the Portfolio Not Giving Rise to Value Change

StreamTV

SPPC owns approximately 6 per cent. of the issued share capital of Mediatainment, Inc. a company which owns approximately 33 per cent. of Stream TV Networks ("STV"), the owner of the technology which powers 3D TV without glasses. STV's solution is to insert a proprietary printed circuit board mounting a programmed chip into the panels of TV and display screens made by a wide variety of manufacturers. Devices which could use the technology currently range in size from tablets and games machines to 65 inch screens.

As previously reported at the half-year, the company again won an award at CES in Las Vegas in January this year and we understand from management that the company is now shipping some $1 million of panels a month with more orders than they are currently able to fulfil.

The company has been working on improving the process of mounting its board and bonding it into TV panels and it seems at last to have overcome many of the production issues which held it back last year, and is on course to be bonding 24,000 panels per month in the near future (as compared to the 4,000 it is processing currently).

It is raising funds in anticipation of an IPO and aims to raise these funds at a premium to SPPC's holding value of the investment. If the raise is successful, SPPC expects to increase the value at which it holds this interest.

Buried Hill

Buried Hill has a Production Sharing Agreement with the government of Turkmenistan in relation to one of the largest oil blocks under the Caspian Sea. However, the block lies beneath a disputed border between Turkmenistan and Azerbaijan and all activities at the site ceased several years ago, pending a commercial resolution between the two countries, which we understand is in train.

At the half year, SPPC reduced the holding value of this investment, in light of both the low oil price and the delays to the project. We are nevertheless hopeful that there will be some commercial resolution soon, we note that the project is fully funded for the timebeing by the company's co-venturer and maintain every confidence in the company's leadership and strong team. We have therefore left the holding value of this investment as is for the time being.

Union Agriculture

Union Agriculture is a diversified agribusiness firm that owns and manages over 180,000 hectares of farmland in Uruguay. During the summer of 2015, the company started to file documents in connection with a proposed flotation on the Toronto Stock Exchange. This came about after lobbying by a number of the Company's shareholders, including St Peter Port. The listing process is on-going but is delayed pending the sale by the company of various non-core parcels of land it owns to reduce overall gearing in the company.

Activity and Prospects

The portfolio currently comprises several large active companies (all with promising prospects, albeit each facing their own particular and not insignificant challenges) which between them amount for the majority of the Company's (non-cash) net asset value as well as a number of much smaller companies with, in the case of the E&P companies, potentially valuable deposits or, in the case of our technology companies, unique technologies. The key to unlocking value in these smaller companies lies in a more benign funding environment and, although commodity markets have risen and the financial markets are much stronger than they were at the start of 2016, this has not yet percolated down. The larger companies are more in control of their destinies but, medium term, their success and ultimate exits, will also depend on investor appetite.

Graham Shore
For and on behalf of
St Peter Port Investment Management Limited
Investment Manager
1 July 2016

Jonathan Paisner
For and on behalf of LMN Capital Limited,
Advisor to St Peter Port Investment Management Limited
1 July 2016

Board of Directors and Investment Advisers

Lynn Bruce
(aged 55), Director – and appointed Chairman on 21 March 2016

Lynn is a Chartered Accountant (Scotland) having trained at KPMG, London and has a BSc Hons in Business Mathematics and Accountancy from Dundee University. 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 Financial Controller at AT&T Capital Europe..

Graham Barry Shore
(aged 60), 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.

Peter Francis Griffin
(aged 57), 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 a 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.

Arthur Leonard Robert Morton
(aged 74), Chairman (resigned as Chairman and Director 21 March 2016)

Bob is a Chartered Accountant, who has been a substantial investor on his own behalf in a number of AIM companies. Bob is also a director and Chairman of a number of other quoted and private companies.

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 2016 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 concern.

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.

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 2015, no dividend was paid. No dividend will be proposed for the year ended 31 March 2016.

As at 31 March 2016, 2,250,000 (2015: 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. No shares were repurchased in 2016. 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.

As reported in the Outlook section of the Chairman's Statement, in June 2012 shareholders of St Peter Port Capital approved a resolution that the Company should continue as an investing company and a similar resolution will be put to shareholders in May next year.

Report of the Directors continued

The Directors and Investment Manager recognise that shareholders are likely to prefer an orderly winding-up of the Company rather than a further continuation of the term of the Company as an investment company, but in either event in the opinion of the Directors, the Company has sufficient cash to meet all of its current financial obligations as they fall due not only for the next twelve months, but also for the foreseeable future.

Directors and their interests

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

Lynn Bruce (Director, and appointed Chairman 21 March 2016)

Graham Barry Shore (Director)

Peter Francis Griffin (Director)

Arthur Leonard Robert Morton (resigned as Chairman and Director 21 March 2016)

At 31 March 2016 the Directors' interests in the Ordinary Shares of the Company were as follows:

		2016 Ordinary shares	2015 Ordinary shares
Lynn Bruce (Chairman)		**nil**	nil
Peter Francis Griffin (Director)		**nil**	nil
Graham Barry Shore (Director)		**nil**	nil
Shore Capital Group Investments Limited	1	**5,600,000**	5,600,000

1. 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. On 15 April 2016, Shore Capital Group Investments Limited acquired a further 750,000 ordinary shares.

There have been no changes in the interests of the Directors from 31 March 2016 to the date of signing these financial statements, apart from that noted in 1. above.

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:

	2016 £	2015 £
Lynn Bruce (Chairman)	**15,000**	10,654
Peter Francis Griffin (Director)	**15,000**	15,000
Graham Barry Shore (Director)	**nil**	nil
Arthur Leonard Robert Morton (resigned as Chairman and Director 21 March 2016)	**nil**	nil

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 £59,992 (inclusive of all expenses) for the period 1 April 2015 to the date of Mr Morton's resignation (2015: £60,000) 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 2016 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	**13,838,370**	21.55%
Nortrust Nominees Limited (GSYA) ACCT		**5,570,000**	8.67%
Redmayne Nominees Limited		**4,315,000**	6.72%
HSBC Global Custody Nominee (UK)		**3,000,000**	4.67%
The Bank of New York Nominees Limited		**2,923,900**	4.55%
Nortrust Nominees Limited (TDS) ACCT		**2,705,224**	4.21%
Lynchwood Nominees Limited		**2,500,000**	3.89%

1. Includes 13,838,8370 (2015: 13,011,870) Ordinary Shares held by clients of Shore Capital Limited and Shore Capital Stockbrokers Limited, including 5,600,000 shares (2015: 5,600,000) in respect of Shore Capital Group Investments Limited.

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
Chairman

P. F. Griffin
Director

Date: 1 July 2016

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 2016 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 2016 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: 1 July 2016

Statement of Financial Position

As at 31 March 2016

	Notes	As at 31 March 2016 £'000	As at 31 March 2015 £'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	12	**20,638**	32,119
Loans and other receivables	13	**301**	1,403
Cash and cash equivalents	14	**3,215**	4,379
Total assets		**24,154**	37,901
Liabilities			
Current liabilities			
Trade and other payables	15	**86**	112
Total liabilities		**86**	112
Net assets		**24,068**	37,789
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	16	**–**	–
Share premium	17	**–**	–
Special reserve	17	**66,361**	66,361
Revenue reserve		**(42,293)**	(28,572)
Total Equity		**24,068**	37,789
Net asset value per Ordinary Share (pence per share)	19	**37.48**	58.84

Approved by the Board of Directors on 1 July 2016

L. Bruce
Chairman

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 2016

		Year ended 31 March 2016	Year ended 31 March 2015
Income	**Notes**	**£'000**	**£'000**
Net losses on financial assets at fair value through profit or loss	12(c)	**(12,313)**	(21,712)
Gains/(losses) on foreign exchange		**(1)**	46
Interest income	4	**15**	36
Other income	4	**–**	3
Net investment loss		**(12,299)**	(21,627)
Administrative expenses	2(d)	**(1,422)**	(2,007)
Net loss from operations		**(13,721)**	(23,634)
Loss for the year attributable to shareholders of the Company		**(13,721)**	(23,634)
Basic and diluted (loss) per Ordinary Share (pence)	11	**(21.37)**	(36.34)

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 2016

	Notes	Special Reserve £'000	Revenue Reserve £'000	Total £'000
Opening balance at 1 April 2015		**66,361**	**(28,572)**	**37,789**
Loss for the year		**–**	**(13,721)**	**(13,721)**
Balance at 31 March 2016		**66,361**	**(42,293)**	**24,068**
For the year ended 31 March 2015				
Opening balance at 1 April 2014		67,741	(4,938)	62,803
Redemption of shares		(1,380)	–	(1,380)
Loss for the year		–	(23,634)	(23,634)
Balance at 31 March 2015		66,361	(28,572)	37,789

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

Statement of Cash Flows

For the year ended 31 March 2016

	Notes	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Cash flows from operating activities			
Interest and investment income received		**10**	35
Operating expenses paid		**(1,456)**	(2,296)
Net cash used in operating activities		**(1,446)**	(2,261)
Cash flows from investing activities			
Sale of investments		**309**	3,367
Purchase of investments		**–**	(219)
Cash inflow from investing activities		**309**	3,148
Cash flows from financing activities			
Loans to subsidiaries		**(26)**	(50)
Purchase of own shares	17	**–**	(1,380)
Cash outflow from financing activities		**(26)**	(1,430)
Cash outflow for the year		**(1,163)**	(543)
Exchange losses during the year		**(1)**	(3)
Opening cash and cash equivalents		**4,379**	4,925
Closing cash and cash equivalents	14	**3,215**	4,379

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 2016

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 the USA and Cuprum Resources Corp. is registered in Panama.

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 was primarily to invest in unquoted companies which are close to a liquidity event. The funds invested by St Peter Port Capital Limited were intended to provide the working capital to facilitate such an event.

The universe for investment has principally comprised 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, as a result of economic conditions, it has also included companies which were already publicly quoted but where the equity value has been heavily eroded by the prevailing market malaise.

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 2016 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 2016

The Company has adopted all the Standards and Interpretations issued by the International Financial Standards Board ("IASB") (as adopted in the EU) and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning from 1 April 2014.

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(ii) New Standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2015 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.

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 £117,290 during the year ended 31 March 2016, (2015: £102,112).

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 2016

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 2015 and 2016 was St Peter Port Investment Management Limited, the Administrator which for the years ended 31 March 2015 and 2016 was Intertrust Fund Services (Guernsey) Limited, and the Registrar which for the years ended 31 March 2015 and 2016 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 2016 £'000	31 March 2015 £'000
Administration fees	**70**	69
Audit fees	**57**	60
Investment Management fees	**970**	1,490
Legal and professional fees	**206**	204
Directors and Consultancy fees	**90**	90
Insurance	**9**	10
Sundry expenses	**20**	33
Management fees receivable from an investee company written off	**–**	51
	1,422	2,007

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 2016 £'000	%	31 March 2015 £'000	%
Oil & Gas	**6,749**	**32.70**	12,226	38.06
Mining	**7,820**	**37.89**	7,878	24.53
Technology	**3,253**	**15.76**	3,911	12.18
Agriculture / Forestry	**2,797**	**13.55**	8,104	25.23
Other	**19**	**0.09**	–	–
	20,638		32,119	

And in companies with the following countries of domicile.

Financial assets	31 March 2016 £'000	%	31 March 2015 £'000	%
Australia	**2**	**0.01**	117	0.36
Brazil	**–**	**–**	795	2.48
Canada	**5,192**	**25.16**	6,470	20.14
Cyprus	**4,018**	**19.47**	6,255	19.47
United Kingdom and Ireland	**5,733**	**27.78**	9,864	30.71
United States of America	**2,795**	**13.54**	3,819	11.89
Russia	**–**	**–**	1,261	3.93
Uruguay	**2,422**	**11.74**	2,727	8.49
Niger	**476**	**2.31**	473	1.47
Panama	**–**	**–**	338	1.05
	20,638		32,119	

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 2016

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 £1,200. 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 2016 and 2015 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 2016 and 2015 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.

Significant judgement has been applied in the valuation of Level 3 investments as detailed in note 12(d). Judgement has also been applied in determining the functional currency of the Company as explained in note 2(h)(i).

4. Interest and Other Income

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Bank and broker interest	**15**	36
Total interest received	**15**	36
Sundry income	**–**	3
Total other income	**–**	3

Sundry income relates to dividends and interest received from investments.

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 2016 amounted to £70,000 (2015: £69,025) with £16,492 (2015: £14,530) 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 2016 amounted to £665,720 (2015: £1,109,139) with £1,555 payable (2015: £12,491 payable) at the year end. Reimbursements to the Investment Manager for the year to 31 March 2016 amounted to £304,449 (2015: £379,637) with £21,276 payable at the year end (2015: £7,976 receivable).

The Investment manager is owned 50% by Broughton Limited and 50% by Shore Capital Group Limited. Tim Childs (a previous 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, (ceased 21 March 2016). 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 2016 amounted to £30,000 (2015: £30,000) with nil outstanding at the year end (2015: £15,000). Total consultancy fees for the year amounted to £59,992 (2015: £60,000) with £4,992 outstanding at the year end (2015: nil).

Notes to the Financial Statements continued

For the year ended 31 March 2016

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 2016 amounted to £30,033 (2015: £30,971) with nil (2015: 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 2016 amounted to £30,225 (2015: £30,000) with nil (2015: £nil) prepaid at the year end.

10. Audit Fees

Audit fees for the year to 31 March 2016 amounted to £56,500 (2015: £60,000) with £56,500 (2015: £60,000) 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 £13,721,000 (2015: £23,634,000 net loss) and on 64,221,500 (2015: 65,036,568) 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 2016	Market Value at 31 March 2016	Historic cost at 31 March 2015	Market Value at 31 March 2015
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Listed equity securities	**3,433**	**247**	7,770	944
Unlisted equity securities	**37,045**	**19,674**	38,281	29,115
Unlisted debt securities	**3,006**	**717**	3,733	2,060
Total financial assets at fair value through profit or loss	**43,484**	**20,638**	49,784	32,119
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 2016	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2015	**29,115**	**944**	**2,060**	**32,119**
Disposal proceeds	**(765)**	**(309)**	**–**	**(1,074)**
Realised (losses)/profits on disposals	**(471)**	**(4,028)**	**(727)**	**(5,226)**
Movement in net unealised (losses)gains on revaluation of investments	**(8,205)**	**3,640**	**(616)**	**(5,181)**
Valuation at 31 March 2016	**19,674**	**247**	**717**	**20,638**
Book cost at 31 March 2016	**37,045**	**3,433**	**3,006**	**43,484**
Net unrealised losses at 31 March 2016	**(17,371)**	**(3,186)**	**(2,289)**	**(22,846)**
Valuation at 31 March 2016	**19,674**	**247**	**717**	**20,638**

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

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

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Realised loss on disposal	**(5,226)**	(1,189)
Unrealised loss on revaluation	**(5,181)**	(20,523)
Unrealised loss on subsidiary loans	**(1,906)**	–
Total losses on financial assets at fair value	**(12,313)**	(21,712)

Notes to the Financial Statements continued

For the year ended 31 March 2016

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 2016.

As at 31 March 2016

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	**247**	**–**	**–**	**247**
Unlisted equity securities and debit	–	**–**	**20,391**	**20,391**
Assets measured at fair value	**247**	**–**	**20,391**	**20,638**

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

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.

The majority of the Level 3 investment valuations are based on fund raising activity. This price will generally be used as the estimate of fair value after considering the background of the underlying investment, changes in market conditions and investment specific factors. Other methodologies may be used at any time if this is deemed to provide a more accurate assessment of the fair value of the investment.

The indicators that the price of recent transactional activity may no longer be appropriate include;

- significant under/over achievement against milestones or financing targets;
- concerns with respect to debt covenants or refinancing;
- significant movements in the market sector of the investments;
- regulatory changes in the industry; and
- the passage of time.

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

(d) Fair value of financial instruments (continued)

Some of the transactional activity is more than a year old or is in the process of being completed, 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

(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 2016	Fair Value £'000 At 31 March 2015	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, adjusted for factors outlined in note 12(d).	16,292	20,828	Additional discount to transactional activity pricing.	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 which range from 0% – 50%.	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.	1,240	5,568	None	Long-term commodity prices have been discounted by a range of 40.0% – 99.8%, 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 rights.	2,859	3,674	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 Company may also apply discount for factors such as those stated in note 12(d).	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.	–	1,106	None	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 2016

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:

	At 31 March 2016 Reflected in profit or loss		At 31 March 2015 Reflected in profit or loss	
	Favourable change £'000	**Unfavourable change £'000**	**Favourable change £'000**	**Unfavourable change £'000**
Discount applied	6,917	(2,622)	–	(2,450)
In situ commodity prices	11,249	(1,067)	16,173	(9,418)

The analysis above has been prepared to reflect the impact of applying a 10% higher rate of discount, or no discount, to the investment valuations. It also demonstrates the impact of higher or lower resource values in the valuation of investments prepared on an in-situ basis and reflects 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 longer term commodity price estimates for in-situ resources as follows:

Commodity	**2016**	**2015**
Brent Oil ((US$ / bbl)	45	60–85
Thermal Coal (US$ / t)	24	32
Nickel (US$ / lb)	0.018	0.020

Please refer to note 12(b) for additional sensitivity analysis in respect of the fair value of investments.

(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 2016 £'000	**Transfer from Level 3 to Level 1 Year ended 31 March 2015 £'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 2016 £'000**	**31 March 2015 £'000**
Opening balance at 1 April	**31,175**	54,713
Unrealised losses during the year (refer to note 12(b))	**(8,821)**	(22,410)
Realised (losses)/gains during the year (refer to note 12(b))	**(1,198)**	632
Transfer to listed equity securities during the year	**–**	(598)
Purchases	**–**	219
Disposals*	**(765)**	(1,381)
Assets as at 31 March	**20,391**	31,175

* The level 3 disposal relates to the Company's holding of Manabi Minerals transferred to subsidiary entity, SPPC Securities Holdings Limited during the year. Following the write down in value of this investment, the movement in unrealised loss is recognised in subsidiary loans.

13. Loans and other Receivables

	31 March 2016 £'000	31 March 2015 £'000
Receivable from subsidiary companies	**271**	1,386
Sundry debtors	**24**	9
Prepayments	**6**	8
	301	1,403

14. Cash and Cash Equivalents

	31 March 2016 £'000	31 March 2015 £'000
	3,215	4,379

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 2016 was 0.39% (2015: 0.78%). The Company has no material interest bearing liabilities.

15. Trade and other Payables

	31 March 2016 £'000	31 March 2015 £'000
Administration fee payable	**16**	13
Directors' fees payable	**–**	15
Audit fee payable	**57**	60
Sundry creditors	**13**	24
	86	112

16. Share Capital

Founder Shares	31 March 2016 £'000	31 March 2015 £'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 2016

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 (2015: 66,221,500) 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 (2015: 2,250,000) Ordinary Shares held in Treasury at 31 March 2016.

17. Share Premium and Special Reserve

	31 March 2016 £'000	31 March 2015 £'000
Share Premium	**–**	–
Special reserve		
Opening balance	**66,361**	67,741
Ordinary shares repurchased	**–**	(1,380)
Closing balance	**66,361**	66,361

As at 31 March 2016, 2,250,000 (2015: 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. No shares were repurchased in 2016.

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 2016 (2015: nil).

19. Net Asset Value per Share

	31 March 2016 £'000	31 March 2015 £'000
Net Asset Value	**24,068**	37,789
Ordinary Shares in issue	**64,222**	64,222
Net Asset Value per Ordinary Share (pence per share)	**37.48**	58.84

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 (2015: 64,221,500) 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 and Lynn Bruce are directors of 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 2016 amounted to £304,449 (2015: £379,637) with £21,276 payable at the year end (2015: £7,976 receivable).

21. Subsequent Events

There were no significant events subsequent to the year end.

Notes to the Financial Statements continued

For the year ended 31 March 2016

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 2016		31 March 2015	
	Fair Value	**% of Net Assets**	**Fair Value**	**% of Net Assets**
	£'000		**£'000**	
Unlisted Investments (including corporate debt)	**20,391**	**84.72**	31,175	82.50
Listed Investments	**247**	**1.03**	944	2.50
	20,638	**85.75**	32,119	85.00

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 £57,439 (2015: £368,026).

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 2016	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Equity and other securities	**0.00%**	**–**	**20,638**	**20,638**
Floating interest rate cash at bank	**0.39%**	**3,215**	**–**	**3,215**
Other receivables and prepayments	**0.00%**	**–**	**301**	**301**
Total assets		**3,215**	**20,939**	**24,154**
Liabilities				
Trade and other payables	**0.00%**	**–**	**86**	**86**
		3,215	**20,853**	**24,068**
Total interest sensitivity gap		**3,215**		

As at 31 March 2015	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Equity and other 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
		4,379	33,410	37,789
Total interest sensitivity gap		4,379		

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 2016

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 2016		31 March 2015	
Currency	**Value**	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
Australian Dollar	**2**	**0.01**	130	0.34
Canadian Dollar	**576**	**2.39**	1,989	5.26
US Dollar	**17,214**	**71.52**	24,838	65.73

At year end, had the exchange rate between the currencies above and Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of ordinary shares would amount to approximately £2,554 (2015: £13,000) in the case of Australian Dollars, £99,980 (2015: £419,600) for Canadian Dollars and £2,126,830 (2015: £3,366,200) 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 £4,166,174 (2015: £6,011,729). 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 2016 % of Net Assets	31 March 2015 % of Net Assets
Equity investments:		
Unlisted equities	**81.74**	77.05
Listed equities	**1.03**	2.50
Debt instruments:		
Corporate debt	**2.98**	5.45
Total investments assets	**85.75**	85.00

(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 2016

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

31 March 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	–	–	–

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 2016 £'000	31 March 2015 £'000
Investments in debt instruments	**717**	2,060
Cash and cash equivalents	**3,215**	4,379
Other assets	**301**	1,403
Total	**4,233**	7,842

Notes to the Financial Statements continued

For the year ended 31 March 2016

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 2016 % of Net Assets	31 March 2015 % of Net Assets
Oil & Gas	**2.26**	2.10
Mining	**0.72**	3.35
Total	**2.98**	5.45

Out of the totals above, 0.72% (2015: 3.35%) 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

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St Peter Port
Guernsey

2 September 2016

NOTICE IS HEREBY GIVEN THAT THE NINTH 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 20TH SEPTEMBER 2016 AT 9.45AM 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 2016.

2. To consider the re-appointment of Elizabeth Lynn Bruce as a Director of the Company, who has offered herself 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 315 of the Companies (Guernsey) Law 2008, as amended 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 2017 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

Frank Moon
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 27th September 2016 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)
Lynn Bruce (Chairman)
Peter Francis Griffin (Director)
Graham Barry Shore (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
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London EC4R 9HA

Legal advisor to the Company as to Guernsey Law
Carey Olsen
P.O. Box 98
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St. Peter Port
Guernsey GY1 4BZ

Guernsey Bankers
ABN AMRO (Guernsey) Limited
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