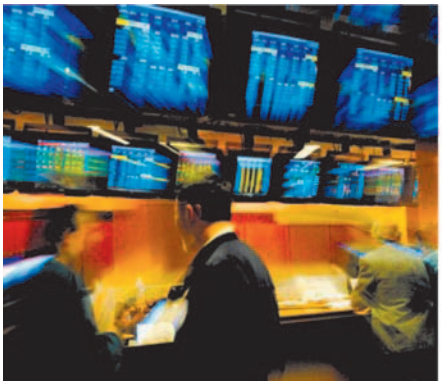
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

Contents

Highlights

- Investments in 7 companies* at year end valued at £12.1 million (2017: 12 companies at £16.5 million).
- NAV of 20.66p per share at 31 March 2018 (2017: 29.56p), down 30.1 per cent. on the year.
- FX movements during the year contributed to the lower NAV by 2.81p, equivalent to 31.6 per cent. of the reduction in NAV per share. These FX movements have partly reversed since the year end.
- At 31 March 2018, total of £66.2 million realised since inception.
- £1.3 million of liquid funds, comprising £0.3 million in cash and £1 million in a listed floating rate note (maturing in November 2018) as at 7 June 2018.
- Cost savings of c£200k achieved during the year.

* excluding companies entirely written down

Lynn Bruce, Chairman of St Peter Port, said:

"Management of a number of the companies in our portfolio are more optimistic than at any time in the recent past. However, with the exception of one company (in which the dollar size of our holding is small compared to the other holdings), none has achieved a liquidity event. We believe that the case for holding these investments, rather than seeking to sell them at distressed prices, remains the best strategy for the company. Notwithstanding this, in the absence of any material developments in these companies, we have decided to reduce the holding value of two portfolio companies (Buried Hill and Union Agriculture) to adjust further for illiquidity."

Chairman's Statement

Introduction

I report on the year ended 31 March 2018.

Background

Several of the companies in our portfolio reported some good news during the second half of the year under review, though none of them have yet achieved the value inflection points necessary to unlock value. Global Atomic reversed into a Toronto stock exchange listed company in December 2017 and we have sold down some of our position in this company.

Realisation and Investments

During the financial year, St Peter Port realised investments generating £17,000 (2017: £218,000). A further £35,000 of realisations have been made since the year end.

The Company made no new investments during the year.

Financial Results

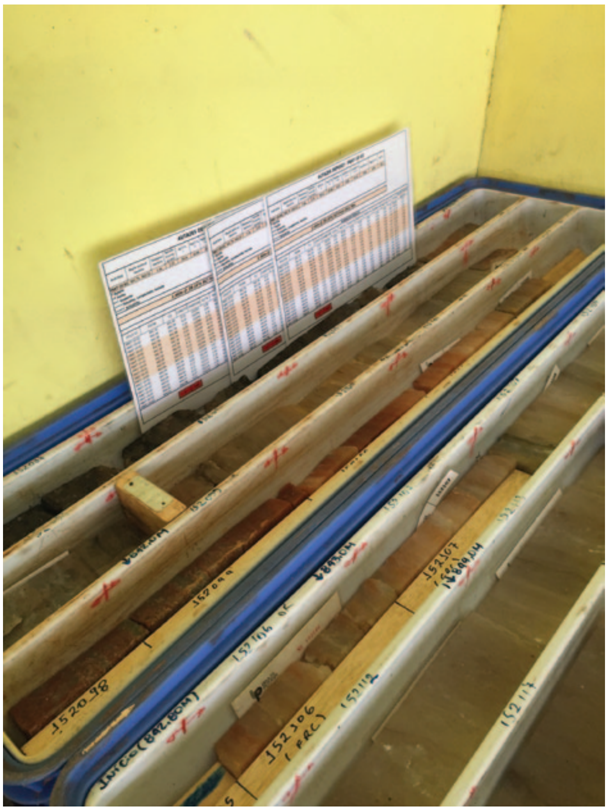
The balance sheet shows investments (excluding the listed floating rate note described below) of £12.1 million (2017: £16.5 million), consisting of financial assets at fair value through profit or loss of £12.1 million (2017: £16.5 million). Net assets were £13.3 million (2017: £19.0 million), giving a net asset value of 20.66p per share (2017: 29.56p per share). Net assets have decreased by 18.3 per cent. since the interim results as at 30 September 2017. The changes result from write downs to two valuations which were made for reasons of prudence rather than as a result of any material changes in the affairs of the companies. They are discussed further in the Investment Manager's Report.

The changes also result from adverse currency movements (depreciation of US dollar against sterling). These adverse FX movements during the year contributed to the lower NAV by 2.81p, equivalent to 31.6 per cent. of the reduction in NAV per share. These FX movements have since been partly reversed.

At the balance sheet date, the Company held £0.3 million in cash (2017: £1.5 million) and £1.0 million in a liquid, listed floating rate note (2017: £1.0 million). The floating rate note has an adjustable interest rate and matures in November 2018. As at the close on 7 June 2018, the Company's liquid funds (comprising cash and the value of the floating rate note) were £1.3 million (2017: £2.5 million).

Dividends

It remains the Board's policy that, in respect of each period of six months and subject to the requirements of Guernsey



Brazil Potash – the core shack in Autazes

Law regarding solvency, it will pay out in cash 50 per cent. of the net gains from all realisations made. There were no net gains on realisations during the year and so no dividend is being proposed.

Outlook and life of the Company

As reported in the Investment Manager's Report below, several of our companies continue to move towards a stage where an exit for the Company is more achievable on good terms. Despite this, (other than Global Atomic) none of the companies have yet reached a value inflection point which would drive an exit opportunity.

For us, a likely exit may comprise any of the following: a portfolio company listing its shares on a stock exchange or being sold to a financial or trade buyer or, if one of the portfolio companies does manage to reach the next phase of its development, our being able to sell our position in that company on the secondary market.

Our portfolio remains highly illiquid and so we have therefore reduced the carrying value of two companies (in the case of Union Agriculture, significantly), to reflect this illiquidity. We should stress, however, that the reductions in value are based almost entirely on liquidity delays and not because there has been any specific negative news communicated to its shareholders by either company.

In a circular to shareholders published by SPPC on 24 May 2017, I explained how the Company's board of directors believed that our portfolio of companies offered potential for capital gain from the values at which they were then being held. We also stated in that circular that it was our intention to offer shareholders the opportunity to vote annually whether to continue the life of the Company or initiate the liquidation of all the Company's holdings (including those which are highly illiquid). For this reason, a resolution whether to continue the life of the Company for a further year is being proposed at the forthcoming annual general meeting.

We continue to believe that the portfolio still offers potential for capital gains from the current carrying values at which we hold our interests in the portfolio companies. As reported in our interim results for the period ended 30 September 2017, we have also implemented a cost reduction programme which has reduced annual costs by some £200,000 per annum. All annual expenditure remains under stringent review. We therefore believe that continuing the life of the Company on a further one year rolling mandate will put the Company in the best position to realise capital gains from its portfolio. Conversely, were the Company required to realise its investments in the short term, it would likely have to accept prices appropriate to a distressed sale.

The Board remains committed to trying to deliver value to shareholders through disposals of the investments and by trying to stimulate liquidity. It also remains open to alternatives should they arise.

Lynn Bruce
Chairman
8 June 2018

Investment Manager's Report

St Peter Port's portfolio is diversified across a range of sectors but with significant exposure to natural resources and commodities. It also holds investments in two technology companies. In natural resources, SPPC owns interests in companies in oil and minerals including nickel and uranium. It also has soft commodity investments, including a large farmland owner in Uruguay and a potash mine development in Brazil. The size of each holding as a percentage of each portfolio company's share capital is small and usually less than 2 per cent.

Nearly all of the portfolio companies have their main activity outside of the UK. One of the portfolio companies merged with a Toronto Stock Exchange listed company in December 2017, and as a result its shares are now publicly traded.

The following table shows the breakdown by sector of the investments as at 31 March 2018:

Investments by Sector as at 31 March 2018

Sector	Number	Cost £m	Book Value £m	Percentage (of book value)
Mining	3	5.0	5.5	45.4
Oil and Gas	1	1.8	3.3	27.3
Tech	2	1.7	3.0	24.8
Ag./ Forestry	1	1.9	0.3	2.5
Total	7	10.4	12.1	100.0

Investments

During the year ended 31 March 2018 the Company made no additional equity investments.

Realisations

During the year, the Company sold down part of its holding in Global Atomic, which obtained a Toronto Stock Exchange listing in December 2017 through a reverse takeover. This generated net proceeds of £17,000.

iQur – Developing a universal flu vaccine

Portfolio – Detail

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

Company	Investment (acquisition terms)	Business
Brazil Potash	US$2.5 million subscription for ordinary shares. Further US$1.5 million subscription for ordinary shares. US$937,000 to exercise warrants.	Potash exploration and development on licences covering 22.5 million hectares in the Amazon Potash Basin.
Buried Hill	US$850,000 subscription for ordinary shares. Further US$2.7 million acquisition of ordinary shares.	Oil and gas exploration company focused on the Caspian Sea.
Global Atomic	CAN$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 initial subscription for ordinary shares. Further £51,000 in convertible loan notes. Further £140,000 for additional ordinary shares.	Medical research company that is developing a novel vaccine platform.
Mediatainment	US$2 million subscription for ordinary shares.	Mediatainment is the holding company for an investment in Stream TV. Stream TV has developed a solution to provide 3D TV without glasses in very high (4K) resolution.
Red Flat Nickel	US$4.2 million investment in loan notes.	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 acquired the majority equity interest.
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.

St Peter Port also held securities in a number of companies which it carries at nil value in its balance sheet. These include Seven Energy, Kerogen Shale (formerly Jordan Energy and Mining Limited), East Africa Timber & Farming Limited, Celadon, Mincore and M-Log (formerly Manabi).

Investment Manager's Report continued

Top Three Investments as at 31 March 2018

The following table lists SPPC's top three investments by value as at 31 March 2018 representing 95.8 per cent. by value of the portfolio.

Company	Cost £ 000's	Valuation £ 000's	Gain/ (Loss)[1] £ 000's	Status
Brazil Potash Corp	2,336	5,234	2,898	Unquoted
Buried Hill Energy (Cyprus) Plc	1,749	3,303	1,554	Unquoted
Mediatainment	1,015	2,694	1,679	Unquoted
Total	5,100	11,231	6,131	

[1] Cumulative unrealised and realised gain (loss) since acquisition.

Developments

Brazil Potash

Brazil Potash ("BP") owns the key mineral rights in a world-class scale potash basin some 120 kilometres south-east of Manaus, one of the main cities in northern Brazil. The site is about eight kilometres from the Madeira River (feeding into the Amazon), which should allow the company to transport planned production to fertiliser plants downriver by barge. Brazil is one of the major importers of potash today, and BP's management believes that the company should be able to mine, process and deliver its product for an amount equivalent to the delivery costs alone of potash imports from Canada and Russia.

BP has obtained its Preliminary Licence, completed its Bankable Feasibility Study and is currently working towards obtaining the Installation Licence which will allow it to initiate construction of the mine. As we reported at the half year, the company raised working capital from new investors at a value for Brazil Potash some 50 per cent. higher than the value at which SPPC is carrying its interest in the company. However, as the new raise was relatively small, the directors of SPPC decided against increasing the value at which the Company holds this investment.

Management of BP are very pleased with the progress that the company continues to make on the ground. They recently reported that the Brazilian Navy approved the proposed construction by the company of a port on the Madeira River, one of the conditions which needs to be satisfied if the company is to transport its product by barge. Management also point to the improvement in the health of the Brazilian economy, particularly in its agricultural sector, which is one of the significant engines of this growth. They state that record harvests in 2017 mean that farmers in Brazil are flush with cash but need to replace the nutrients in their soil, increasing demand for potash in the country. BP's management also note that potash prices have increased to above US$300/tonne (as against the ten year lows of US$215/tonne in June 2016), and they expect potash prices to increase further over the course of 2018.

BP continues to see a high-level of interest and engagement in the project from local and international investors and is working to secure the significant finance required to build out the mine. Although the macro-economic indicators are more positive than in recent years, securing this finance remains extremely hard and seems to us to be the necessary pivot for securing a sale of SPPC's position. Management of BP report that they are also talking to banks about a possible listing of the company within the next 12-18 months.

Buried Hill

Buried Hill ("BH") 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 operational activities at the site ceased several years ago, pending a resolution between the two countries of this border dispute.

The project is fully funded by BH's co-venturer (an international oil major) and we maintain every confidence in the company's leadership and strong team. Management of BH are constrained from disclosing the status of high-level discussions which have been ongoing for some years between the two countries. Nevertheless, it is able to point to certain information and events in the public domain to evidence that progress is being made. In particular, they point not only to the continuing rapprochement between the two countries themselves, but also to the meetings between the five countries bordering the Caspian Sea (including Turkmenistan and Azerbaijan), the primary purpose of which is to conclude the negotiation of the Convention on the Legal Status of the Caspian Sea. There have also been press reports in the region, commenting on the expectation that the delineation of borders in the Caspian Sea could unlock a number of frozen oil and gas projects, including BH's project in the Serdar oil field.

BH remains optimistic that the political deadlock will be resolved, which would allow the company to progress development of the field. The company has also told us that, should the deadlock be resolved, they believe there may be major interest in the project and at that time will work hard to stimulate a secondary market for existing shareholders. However, SPPC recognises that absent any resolution of the deadlock, the value of this company and SPPC's position in it remains binary. For this reason, SPPC has written down the carrying value of its position by 20 per cent. from the value which the company itself fair-values its shares to reflect both the continuing illiquidity of BH's shares and the binary nature of this investment.

Mediatainment

St Peter Port owns 6 per cent. of the issued share capital of Mediatainment, Inc., a company which owns approximately 27 per cent. of Stream TV Networks, Inc. ("STV").

STV is the owner of a technology which powers 3D TV without glasses. STV's solution has been 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.

At the beginning of 2018, STV announced that it had entered into an agreement in principle with Chinese screen manufacturer BOE Technology Group Co., Ltd ("BOE") to combine BOE's high resolution panels with STV's technology. Management believe that this is a very important step to commercialisation given that BOE are a large established manufacturer of screens[2] (who also report that they recently won a contract to supply screens to Apple) and want to incorporate STV's technology in the majority of the screens they manufacture, according to STV's management. They are particularly focused on the new generation of even higher resolution screens using 8k resolution. STV are now working on the mass production of a new programmed chip (ASIC) which can be mounted on circuit boards in 8k TVs and display screens. This would avoid the need for a proprietary circuit board.

In the meantime, management are bullish about many other developments within their company. Whilst SPPC is pleased with STV's progress, there is no visibility of an exit or liquidity event.

Union Agriculture

Union Agriculture ("UAG") is a diversified agribusiness firm that currently owns some 84,000 hectares of farmland in Uruguay, the majority of which it leases to farmers. It has sold down land holdings over the past few years to deleverage its balance sheet. The company also has trading and logistics operations through its subsidiary, Granosur Holding Limited, which owns 5 silo plants in Uruguay, a fleet of transportation vehicles and has a 50 per cent. interest in a further silo as well as a 37 per cent. interest in a Uruguayan rice producer, processor and exporter.

The company abandoned plans to float itself on the Toronto Stock Exchange ("TSX") following a shareholder vote in April 2017. The reasons shareholders voted down the "going public" resolution which they had voted in favour of a couple of years earlier (following shareholder activism on the part of SPPC amongst others) included the significant one-time and ongoing expenditure a float would involve. In addition, the company had advised that it would struggle to meet the TSX's working capital requirements in light of its then high debt burden without a significant capital reorganisation.

The company subsequently raised US$30 million in a deeply discounted rights issue, in which SPPC did not participate. It has recently reported to shareholders in relation to the period ended 31 December 2017.

In that report, the company was generally upbeat, explaining that the change of business model (becoming a landowner rather than a landowner and operator) had proven to be successful, with expectations that the company would end the fiscal year EBITDA positive. The company's June 2017 land valuation (carried out by an independent third party professional firm) valued the company's land holdings alone at nearly US$273 million. Aggregating this with the company's other investments, holdings and debt, the company advised shareholders that NAV per share was US$4.18.

Notwithstanding the company's reported NAV, SPPC is conscious that the shares in UAG are highly illiquid and that the company is still saddled with significant debt. Whilst SPPC has not received any negative shareholder communication from UAG, SPPC has nevertheless decided to apply a 70 per cent. discount to the net asset value reported by UAG.

Global Atomic

Global Atomic ("GA") has a concession over a uranium deposit in Niger.

In December 2017, the company completed its long-heralded merger with a TSX-listed company called Silvermet, Inc., which owns an interest in an electric arc furnace dust plant in Turkey. The merged entity continues to trade as Global Atomic (ticker GLO). As part of the transaction, the company succeeded in raising a small amount of additional funds to spend on further proving up the resource at its deposit in Niger. The results of this further drilling have been extremely positive, and together with positive news-flow in relation to the operations in Turkey, the shares have rallied over the last few months. SPPC sold down 156,500 shares in GA during the final weeks of the Company's fiscal year and has, as at 7 June 2018, sold a further 331,500 shares.

[2] BOE describes themselves as "ranking no 1 in terms of market share of panels for mobile phone and tablet" (BOE website).

Investment Manager's Report continued

Red Flat Nickel

St Peter Port 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).

In the last days of the Obama administration, the Bureau of Land Management announced that the Assistant Secretary for Land and Minerals Management had signed a public land order for a 20 year term withdrawing certain lands managed by the U.S. Forest Service (including all the land on which RFNC owns its claims) from entry under the US mining laws.

During 2017, we noted that the Trump administration was starting to reverse some of the withdrawals that had been instituted by the previous administration, including in respect of some 10 million acres of federal land which had been withdrawn from mining to protect sage grouse. On 28 September 2017, Senator Bishop, chairman of the House Committee on Natural Resources, wrote to both the Secretary of Agriculture and the Secretary of Interior complaining about the systemic blocking of mineral access on federal land that had occurred during the previous administration. In that letter, he gave the example of Red Flat's project in Oregon (although he did not name the project) and explained that not only was the withdrawal illegal on its own terms (for breaching the relevant legislation), but also that actions such as these were harming America's interests, by forcing it to remain reliant on other countries for critical minerals that America had in abundance. One of the key responses to this letter was an executive order by President Trump to reduce the country's vulnerability to disruptions in the supply of critical minerals.

At the start of 2018, the environment for owners of mining projects on federal land seemed to be becoming increasingly benign. However, on 21 February 2018, the Secretary of Agriculture wrote a letter to the Oregon senators who had campaigned for the withdrawal of the Red Flat lands, stating that there would be no reversal of the withdrawal. Red Flat continues to investigate its options in respect of the project, but this is obviously a considerable setback.

iQur

iQur is a vaccine development company. Its lead candidate vaccine is FLUTCORE – a universal Influenza A vaccine. The company owns an exclusive worldwide licence to a platform technology called Tandem Core, which is a modified hepatitis B protein that forms virus like particles (VLPs) which can be coated with specific antigens. These VLPs stimulate antigen specific immune responses, and FLUTCORE is designed to harness Tandem Core technology to stimulate a prophylactic immune response to the conserved (non-variable) parts of flu. Although other companies (large and small) are also looking to develop universal flu vaccines, iQur's approach and technology is unique.

The company has told us that recent tests conducted by an independent laboratory confirm that the vaccine is effective. The next step is for the company to raise further funds to enable it to complete a Phase 1 proof of concept clinical trial.

Other developments

SPPC has written down a number of its investments over the years. The majority of these investments were in companies which became insolvent. However, several of these written down investments are in companies where the board of SPPC saw no real prospect of a realisation, despite management's best efforts. One such company was Celadon, which owns two coal projects in Inner Mongolia, one of which is very large and the other very small. Celadon recently reported to shareholders that it had in fact recently sold the smaller mine (which is mired in legal disputes) and received a cash payment for it. Although this cash payment will not itself be distributed to shareholders (it is a small amount and is required for working capital purposes), we note that the buyer of this smaller mine is also in negotiations with Celadon to buy the larger mine. If this sale were to take place, this would likely result in a distribution to shareholders, but it is impossible to quantify this at this stage. We continue to monitor all SPPC's written-down investments.

Contributions to Changes in the Valuation of the Portfolio

During the year, currency movements (principally the strengthening of sterling against the US$) have had a negative effect on the value of the portfolio. They have contributed a decrease of 2.81p to the NAV per share over the full year (as to a 1.66p decrease during the first half and as to a 1.15p decrease in the second half). This has partly reversed since the year end.

Activity and Prospects

We are encouraged by the progress reported by some of SPPC's portfolio companies. All of the companies (except Buried Hill) require significant capital in order to leverage the opportunities each have created, and raising this capital remains very challenging. Nevertheless, we see steady progress being made and are quietly optimistic that 2018 will be a turning point for some of the companies. In the meantime, we continue to probe the secondary market (such as it is) for some of SPPC's investments.

Graham Shore
For and on behalf of St Peter Port Investment Management Limited, Investment Manager

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

Board of Directors and Investment Advisers

Lynn Bruce
(aged 57), Director and Chairman

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 62), Director

Graham began his career as a 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 thirteen 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.

Russel Andrew Peter Michel
(aged 57), Director

Russel initially joined the Stenham Group in 1997 as Head of Channel Island operations. He has served as a Director of Stenham Asset Management Inc. since November 1997 and Stenham Management Services (CI) Limited since inception in 2005 and was appointed Chairman of both companies in 2013. Prior to that he was a director of Lazard Fund Managers (CI) Limited and Group Financial Controller at M.D.B. Holdings Limited. Russel is a Chartered Accountant who trained at Reads & Co.

Report of the Directors

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2018 for St Peter Port Capital Limited (the "company").

Directors' responsibilities

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 disc¬lose 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 9 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 (AIM) of the London Stock Exchange on 16 April 2007 with a placing of 75,000,000 ordinary shares of nil par value each. In June 2012, the shareholders approved a resolution that the company should continue as an investing company. The directors offer the ordinary shareholders a vote annually to consider whether to continue for a further year or initiate liquidation. A shareholder vote in relation to continuing the life of the company on a one year rolling mandate or commencement of an orderly winding-up is due to take place as outlined in the going concern section of this report.

The Investment Manager, St Peter Port Investment Management Limited, has built a diversified portfolio of growing small to mid-sized companies which were seeking to achieve an IPO within a reasonably short time horizon. It was intended that investments would be opportunistic and not sector or regionally focused and that they would 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. In respect of the year ended 31 March 2017, a dividend of £ 481,661 (0.75p per ordinary share) was declared. This was recorded and paid in the in the year ended 31 March 2018. The directors propose that no dividend be declared and paid in respect of the year ended 31 March 2018.

As at 31 March 2018, 2,250,000 (2017: 2,250,000) shares were held in Treasury. During the year ended 31 March 2018 no shares were repurchased (2017: no shares were repurchased).

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 its listed debt investments to generate further cash resources should this be necessary.

Notice of the forthcoming annual general meeting of the company (the "AGM") is attached to this annual report and audited financial statements. At the AGM, shareholders will be asked to vote in relation to continuing the life of the company on a one year rolling mandate or commencement of an orderly winding-up. If the shareholders vote in favour of an orderly winding-up, the company will be placed into a liquidation process which is expected to take up to twenty-four months to conclude. This creates material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Directors and their interests

The directors of the company who served during the year were:

Lynn Bruce (Director and Chairman)
Graham Barry Shore (Director)
Russel Michel (Director)

At 31 March 2018 the directors' interests in the ordinary shares of the company were as follows:

	2018 Ordinary shares	2017 Ordinary shares
Lynn Bruce (Director and Chairman)	**nil**	nil
Graham Barry Shore (Director)	**nil**	nil
Russel Andrew Peter Michel (Director)	**75,000**	75,000
Shore Capital Group Investments Limited[1]	**6,350,000**	6,350,000

[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.

There have been no changes in the interests of the directors from 31 March 2018 to the date of signing these financial statements.

Certain of the current and past directors of the company have interests in certain portfolio assets.

Directors' remuneration

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

	2018 £	2017 £
Lynn Bruce (Chairman)	**15,000**	15,000
Peter Francis Griffin (Director) – resigned 12 January 2017	**nil**	11,743
Graham Barry Shore (Director)	**nil**	nil
Russel Andrew Peter Michel (Director)	**14,944**	3,322

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

Significant shareholdings

At 31 March 2018 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]	**13,968,370**	21.01%
Nortrust Nominees Limited GSYA ACCT	**13,250,000**	19.93%
Lynchwood Nominees Limited	**6,600,000**	9.93%
Rock Nominees Limited ISA ACCT	**4,641,289**	6.98%
The Bank of New York Nominees Limited	**2,935,100**	4.42%

[1] Includes 13,968,370 (2017: 14,378,370) ordinary shares held by clients of Shore Capital Limited and Shore Capital Stockbrokers Limited, including 6,350,000 shares (2017: 6,350,000) 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

Date: 8 June 2018

Corporate Governance

St Peter Port Capital Limited (the "Company" or the "Group") has sought to comply with a number of provisions contained in the QCA Corporate Governance Code (the "Code") in relation to matters for which the Board is accountable to shareholders, so far as is considered appropriate for a company of its size and nature. The following comments upon the compliance and identifies significant departures from the Code.

Board of Directors and Committees

The Company has a Board comprising three non-executive Directors. The Board considers one of the non-executive Directors, Russel Michel, to be entirely independent. Both Lynn Bruce and Graham Shore are interested in Shore Capital Group, which owns the Company's Investment Manager and is a significant shareholder in the Company. The Board as a whole considers their indirect interests in the Company to be an advantage for the shareholders as in addition to their fiduciary duties, it serves to make their interests closer to shareholders generally.

The Directors provide the Group with the knowledge, mix of skills, experience and networks of contacts required. The Board seeks to provide effective leadership and maintain a high standard of integrity in the Company.

Full Board meetings take place quarterly and additional meetings are held as required to address specific issues. The Board has a formal schedule of matters specifically reserved for its decision. These include:

- considering recommendations from the Investment Manager regarding the acquisition,disposal and valuation of investments;
- payment of dividends; and
- reviewing, annually, the terms of engagement of all third party advisers (including investment managers and administrators)

Each of the Directors attended each Board meeting during the year.

All Directors have access to the advice and services of the Company Secretary and the Administrator. The Administrator and the Investment Manager provide the Board with information on the Company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

The Board has not appointed a nominations committee or remuneration committee as the Company is a fund and does not have direct employees. Appointments of new Directors and Directors' remuneration are dealt with by the full Board.

The Board reviewed Directors' remuneration during the year. Details of the specific levels of remuneration to each Director are set out in the Report of the Directors.

The Company has adopted a code similar to the Model Code, for Directors' dealings in securities of the Company, which is appropriate for a company quoted on AIM. The Directors also comply with Rule 21 of the AIM Rules relating to Directors' dealings.

Rule 8 of the AIM Rules states that certain companies (including the Company) should, as a minimum, seek the consent of their shareholders for changes in their investing strategy. If the Directors intend any changes to the Company's investment strategy, they will, in accordance with the AIM Rules, propose a resolution at each annual general meeting of the Company seeking approval by Shareholders.

Audit Committee

The Audit Committee comprises Graham Shore as its Chairman and Lynn Bruce. The committee is responsible for ensuring that the financial performance of the Company is properly monitored and reported on and that any such reports are understood by the board.

Relations with shareholders

Shareholders have the opportunity to meet representatives of the Investment Management team and the Board at the AGM. The Board is also happy to respond to any written queries made by shareholders during the course of the year, or to meet with shareholders if so requested. In addition to the formal business of the AGM, representatives of the Investment Management team and the Board are available to respond to questions shareholders may have.

Internal control

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company to the following advisers:

Administration Maitland Administration (Guernsey)

Investment Management St Peter Port Investment Management Limited

St Peter Port Investment Management Limited identifies investment opportunities and monitors the portfolio of investments and makes recommendations to the Board in terms of suggested valuations, disposals and further acquisitions.

Maitland Administration (Guernsey) is engaged to carry out the accounting function and manages the retention of physical custody of the documents of title relating to unquoted investments. Quoted investments are held in CREST where possible and in other electronic depositories where appropriate. Maitland Administration (Guernsey) regularly reconciles the client asset register with the physical documents.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company, and have reviewed the effectiveness of the internal control systems.

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

We have audited the financial statements of St Peter Port Capital Limited (the 'company') 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 IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the results of the forthcoming Shareholder vote in relation to continuing the life of the company are not yet known. However, the Directors consider the company has sufficient cash and liquid assets (listed floating rate note) to meet its operating expenditure for the foreseeable future.

In response to this, we:

- analysed the Director's going concern assessment including the related cash flow forecasts prepared to support this assessment;
- assessed the design and implementation of the controls related to the preparation and approval of this assessment;
- tested the clerical accuracy of the current forecasts and whether the available liquid assets are sufficient to support assumed ongoing running cost;
- assessed the historical accuracy of the previous forecasts, including the related cost assumptions;
- obtained supporting evidence for any near term investment realisation events assumed and made enquiries of the investment advisor to understand the likelihood of such events;
- assessed the liquidity of the listed floating rate note to ensure the company has the ability to readily utilise proceeds; and
- performed a sensitivity analysis to changes in ongoing running costs.

As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Furthermore, the financial statements do not include any adjustment that would result if the company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of unquoted investments; and • Going concern (see material uncertainty relating to going concern section).
Materiality	The materiality that we used in the current year was £250,000 which was determined on the basis of approximately 2% of Net Asset Value ("NAV").
Scoping	We performed a full scope audit to respond to the risks of material misstatement for the company.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of unquoted investments

Key audit matter description	Unquoted investments are designated at fair value through profit or loss and represent 90% (2017: 87%) of net asset value in the financial statements, amounting to £12,058k (2017: £16,492k). The valuation is therefore a key driver of the reported performance of the company. As described in note 12.4, the valuations are subject to a significant degree of judgement and estimation uncertainty and are based on unobservable inputs which may include: recent fund raising activity, in-situ valuation of resources, third party resource valuation and expected proceeds from a liquidation event. Discounts are applied to these inputs where considered necessary given the investee entities are early stage companies. Such adjustments may be subject to bias and we have therefore identified this as a potential fraud risk. Given these factors, the valuations will be sensitive to the assumptions applied as can be seen in the sensitivity disclosures in note 12.5.
How the scope of our audit responded to the key audit matter	Our approach to the valuation of unquoted investments is designed to identify material misstatements as a result of technical error or bias. For a sample of valuations we have: • obtained an understanding of the valuation techniques that have been applied and satisfied ourselves as to whether these are appropriate based on the information available to management; • obtained an understanding of developments within the investee entities based on discussions with the Investment Advisor and through review of investor reporting provided by those companies. • performed searches for information on the investee entities and have considered the available fair value estimates disclosed by other investors (e.g. quoted funds) in publicly available information; • independently confirmed each investee entity, the nature and number of each type of instrument held by the company; • recalculated investment valuations, verifying valuation inputs to relevant supporting information (including transactional evidence) and challenged how management have factored relevant developments identified in the investee entities that may impact their fair value. This includes any potential discount for longer term commodity pricing, finance, development and other risks associated with the underlying investee entities; and • reviewed the accuracy and completeness of disclosures required under IFRS 13. As part of our work, we have also assessed the design and implementation of controls relating to the valuation process.
Key observations	Notwithstanding the inherent uncertainty associated with the valuation of investments, which may be binary due to their nature and early stage operational status, we have concluded that the valuation of unlisted investments and underlying assumptions are supportable and within a reasonable range of estimates based on the evidence provided. However, the future decision taken by the Shareholders referred to in note 2.2 to the financial statements will impact the investment strategy pursued by the company. 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.

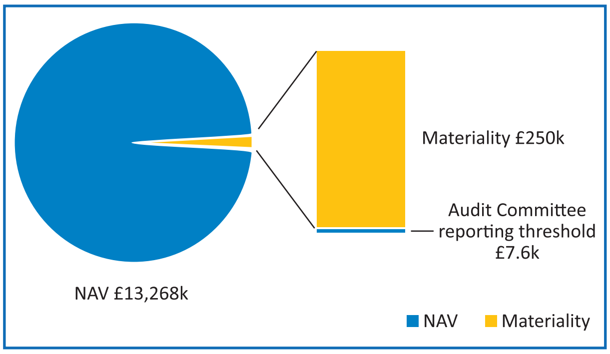
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£250,000 (2017: £389,000)
Basis for determining materiality	2% of the company's net asset value ("NAV").
Rationale for the benchmark applied	Net asset value is the key performance indicator of the company. The holders of equity are interested in the capital value of their investment.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £7,600 (2017: £9,880), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment, including internal control and the assessing the risks of material misstatement. Our audit scope included the assessment of the design and implementation of accounting processes and controls in place at the third party accounting service provider. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

- The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Deloitte LLP
Guernsey, Channel Islands
Date: 8 June 2018

Statement of Financial Position

As at 31 March 2018

	Notes	As at 31 March 2018 £'000	As at 31 March 2017 £'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	12	**13,126**	17,482
Loans and other receivables	13	**45**	111
Cash and cash equivalents	14	**301**	1,488
Total assets		**13,472**	19,081
Liabilities			
Current liabilities			
Trade and other payables	15	**204**	100
Total liabilities		**204**	100
Net assets		**13,268**	18,981
Equity			
Capital and reserves attributable to equity holders of the Company			
Special reserve	17	**–**	66,361
Revenue reserve		**13,268**	(47,380)
Total equity and liabilities		**13,268**	18,981
Net asset value per Ordinary Share (pence per share)	19	**20.66**	29.56

Approved by the Board of Directors on 8 June 2018.

L. Bruce
Chairman

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

Statement of Comprehensive Income

For the year ended 31 March 2018

	Notes	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Net losses on financial assets at fair value through profit or loss	12.3	**(4,357)**	(4,076)
Gains on foreign exchange		**–**	6
Interest income	4	**7**	4
Other income	4	**7**	1
Net investment loss		**(4,343)**	(4,065)
Administrative expenses	2.5	**(888)**	(1,022)
Net loss from operations		**(5,231)**	(5,087)
Loss for the year attributable to shareholders of the company		**(5,231)**	(5,087)
Basic and diluted loss per ordinary share (pence)	11	**(8.15)**	(7.92)

The company does not have any income or expenses that are not included in the profit for the year, and therefore the "profit for the year attributable to shareholders of the company" is also the "Total comprehensive income for the year", as defined by IAS 1 (revised).

All items in the above statement are derived 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 2018

	Notes	Special Reserve £'000	Revenue Reserve £'000	Total £'000
Balances as at 1 April 2016		66,361	(42,293)	24,068
Total loss for the year attributable to shareholders of the company		–	(5,087)	(5,087)
Balance at 31 March 2017		66,361	(47,380)	18,981
Transfer to revenue reserves	17	(66,361)	66,361	–
Total loss for the year attributable to shareholders of the company		–	(5,231)	(5,231)
Dividends paid	18	–	(482)	(482)
Balance at 31 March 2018		**–**	**13,268**	**13,268**

Notes	16 & 17

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

Statement of Cash Flows

For the year ended 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities	**Notes**	**£'000**	**£'000**
Interest and investment income		**7**	6
Operating expenses paid		**(795)**	(1,047)
Net cash outflow from operating activities		**(788)**	(1,041)
Cash flows from investing activities			
Sale of investments		**17**	218
Purchase of investments		**–**	(1,003)
Loans advanced to subsidiaries		**–**	(12)
Repayment of subsidiary loans		**66**	105
Net cash inflow / (outflow) from investing activities		**83**	(692)
Cash flows from financing activities			
Dividends paid		**(482)**	–
Net cash outflow from financing activities		**(482)**	–
Net decrease in cash and cash equivalents		**(1,187)**	(1,733)
Gains on foreign exchange		**–**	6
Cash and cash equivalents at beginning of the year		**1,488**	3,215
Cash and cash equivalents at the end of the year	14	**301**	1,488

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 2018

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 per cent. ownership of St Peter Port Capital (RFN) Limited, 100 per cent. ownership of SPPC Securities Holdings Limited, 100 per cent. ownership of Cerro Chorcha Limited and 80 per cent. of the ordinary share capital in Red Flat Nickel Corp. (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.

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 the inside back cover. The company's website is www.stpeterportcapital.gg.

The company is admitted on the AIM of the London Stock Exchange.

2. Summary of significant accounting policies

This financial information for the year ended 31 March 2018 has been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS includes 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.

2.1 Basis of preparation

The financial statements have been prepared 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 3.

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.

(a) New standards and amendments mandatory for years ended 31 March 2018

The company has adopted all the Standards and Interpretations issued by the International Financial Standards Board (IASB) 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 2016.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New Standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2016 and not early adopted

The company did not adopt new or amended standards in the year that have yet to become effective.

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's financial assets comprise equity and debt investments currently measured at fair value through profit or loss, short term loans and other receivables and cash and cash equivalents.

The Directors have determined that there will be no change in the classification or measurement of investments held at fair value through profit or loss as the assets are held within a business model with the purpose capital realisation. Furthermore, the cash flows do not derive solely from payments of principal and interest (the "SPPI" test).

The new impairment model will apply to the company's financial assets including trade and other receivables and cash and cash equivalents. The Directors expect to apply the simplified approach to recognise lifetime expected credit losses for these current assets. As such, the Directors do not currently expect there to be any material impact on the adoption of IFRS 9.

There will also be no change in the accounting for financial liabilities.

In summary, on adoption of IFRS 9 for the first period commencing 1 April 2018, the Directors do not consider IFRS 9 will have a material impact on the financial position or performance of the company.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and became effective for periods beginning on or after 1 January 2018. The date from which the new standard applies to the company is 1 April 2018 and the new standard is not expected to have any material impact on the company's financial position, performance or disclosures in its financial statements.

IFRS 16 "Leases" was issued in January 2016 and becomes effective for periods beginning on or after 1 January 2019. It is not anticipated that the new standard will have any impact on the company's financial position, performance or disclosures in its financial statements.

IAS 12 "Income Taxes" was issued in October 2015 and becomes effective for periods beginning on or after 1 January 2019. It is not anticipated that the new standard will have any material 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

2.2 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 its listed debt investments to generate further cash resources should this be necessary.

Notice of the forthcoming annual general meeting of the company (the "AGM") is attached to this annual report and audited financial statements. At the AGM, shareholders will be asked to vote in relation to continuing the life of the company on a one year rolling mandate or commencement of an orderly winding-up. If the shareholders vote in favour of an orderly winding-up, the company will be placed into a liquidation process which is expected to take up to twenty-four months to conclude. This creates material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Notes to the Financial Statements continued

For the year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.3 Subsidiaries

The company holds 100 per cent. ownership of St Peter Port Capital (RFN) Limited, 100 per cent. ownership of SPPC Securities Holdings Limited, 100 per cent. ownership of Cerro Chorcha Limited and 80 per cent. of the ordinary share capital in Red Flat Nickel Corp. (an Investee Company). Financial support is provided to these subsidiary companies, including payment of operating expenses for Red Flat Nickel Corp. of £ 56,595 during the year ended 31 March 2018 (2017: £ 37,039).

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. is a corporation registered in the USA.

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.

2.4 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.

2.5 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 2017 and 2018 was St Peter Port Investment Management Limited, the administrator which for the year ended 31 March 2017 and period from 1 April 2017 to 31 December 2017 was Intertrust Fund Services (Guernsey) Limited. The administrator for the period 4 January 2018 to 31 March 2018 was Maitland Administration (Guernsey) Limited, and the Registrar which for the years ended 31 March 2017 and 2018 was Link Asset Services. 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.

2. Summary of Significant Accounting Policies (continued)

2.5 Running costs and expenses (continued)

The administrative expenses during the year were as follows:

Administration expenses	31 March 2018 £'000	31 March 2017 £'000
Administration fees	**70**	70
Audit fees	**43**	57
Investment Management fees	**564**	708
Legal and professional fees	**159**	121
Directors and Consultancy fees	**29**	30
Insurance	**12**	9
Sundry expenses	**11**	27
	888	1,022

2.6 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 2018 £'000	%	31 March 2017 £'000	%
Oil & Gas	**3,303**	**25.16**	4,634	26.51
Mining	**244**	**1.86**	978	5.59
Technology	**3,043**	**23.18**	3,372	19.29
Agriculture / Forestry	**5,534**	**42.16**	7,508	42.95
Other	**1,002**	**7.64**	990	5.66
	13,126		17,482	

And in companies with the following countries of domicile.

Financial assets	31 March 2018 £'000	%	31 March 2017 £'000	%
Canada	**5,299**	**40.37**	6,321	36.15
Cyprus	**3,303**	**25.16**	4,634	26.51
United Kingdom and Ireland	**1,351**	**10.29**	1,843	10.54
United States of America	**2,873**	**21.89**	3,224	18.44
British Virgin Isles	**300**	**2.29**	1,406	8.36
	13,126		17,482	

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

2.7 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.

Notes to the Financial Statements continued

For the year ended 31 March 2018

2. Summary of Significant Accounting Policies (continued)

2.7 Valuation of investments (continued)

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.

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.

2.8 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.

2.9 Foreign currency translation

(a) 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.

(b) 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.

2.10 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.

2.11 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.

2.12 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 2018 and 2017 respectively.

2.13 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 2018 and 2017 respectively.

2.14 Cash and cash equivalents

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

2.15 Loans

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

3. Critical accounting judgements and estimates

The preparation of financial statements requires management to make estimates affecting the reported amounts of assets and liabilities; of revenues and expenses, and of gains and losses. The key assumptions concerning future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material judgement to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Significant judgements

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 its listed debt investments to generate further cash resources should this be necessary.

Notice of the forthcoming annual general meeting of the company (the "AGM") is attached to this annual report and audited financial statements. At the AGM, shareholders will be asked to vote in relation to continuing the life of the company on a one year rolling mandate or commencement of an orderly winding-up. If the shareholders vote in favour of an orderly winding-up, the company will be placed into a liquidation process which is expected to take up to twenty-four months to conclude. This creates material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Estimation uncertainty

Fair value of securities not quoted in an active market

The company may hold instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilised depending on a number of factors, including comparison with similar instruments for which market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the company. Refer to note 12.4 and 12.5 for further details on the valuation techniques and sensitivity to these inputs.

4. Interest and other income

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Bank and broker interest	**2**	4
Profit on sale of assets	**5**	–
Total interest income	**7**	4
Investment income	**7**	1
Total other income	**7**	1

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 2018 amounted to £ 70,933 (2017: £ 70,000) with £ 11,600 (2017: £ 12,500) outstanding at the year end.

Notes to the Financial Statements continued

For the year ended 31 March 2018

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 per cent. 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 18 October 2007. The Investment Manager has agreed to a temporary reduction to 1.5 per cent. as part of the cost cutting exercise. Management fees for the year to 31 March 2018 amounted to £ 274,837 (2017: £ 479,245) with £ nil receivable (2017: £ 2,686 receivable) at the year end. Reimbursements to the Investment Manager for the year to 31 March 2018 amounted to £ 170,601 (2017: £ 228,654) with £ nil receivable at year end (2017: £ 5,580 receivable).

With effect from 12 March 2018, the Investment Manager is 100 per cent. owned by Shore Capital International Asset Management Limited (a subsidiary of Shore Capital Group Limited). Graham Shore and Lynn Bruce are shareholders of Shore Capital Group Limited.

7. Directors' and consultancy fees

Under their letters of appointment, Ms Bruce and Mr Michel are paid a remuneration of £ 15,000 per annum. Mr Shore has waived his entitlement to a director's fee but is able to recover reasonable expenses. Total directors' fees for the year to 31 March 2018 amounted to £ 29,451 (2017: £ 30,065) with £ 18,266 outstanding at year end (2017: £ 3,815). No consultancy fees were incurred for the years ended 2018 and 2017.

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 2018 amounted to £ 15,000 (2017: £ 30,000) with £ nil (2017: £ 15,000) outstanding at the year end.

9. Nomad fees

Under the Nominated Adviser ("Nomad") 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 2018 amounted to £ 30,000 (2017: £ 30,000) with £ nil (2017: £nil) prepaid at the year end.

10. Audit fees

Audit fees for the year to 31 March 2018 amounted to £ 42,750 (2017: £ 57,000) with £ 42,750 (2017: £ 57,000) outstanding at year end. There were no non-audit services provided by the company's auditor in the year ended 31 March 2018 or 2017.

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 £ 5,231,000 (2017: £ 5,087,000) and on 64,221,501 (2017: 64,221,501) 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

12.1 Designated at fair value through profit or loss

	Historic cost at 31 March 2018	Market Value at 31 March 2018	Historic cost at 31 March 2017	Market Value at 31 March 2017
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Listed equity securities	**1,947**	**66**	971	–
Unlisted equity securities	**35,785**	**11,880**	37,045	16,292
Listed debt securities	**1,003**	**1,002**	1,003	990
Unlisted debt securities	**3,006**	**178**	3,006	200
Total financial assets at fair value through profit or loss	**41,741**	**13,126**	42,025	17,482
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	**–**	**–**	–	–
Total financial liabilities at fair value through profit or loss	**–**	**–**	–	–

12.2 Movements in assets at fair value through profit or loss

For the year ended 31 March 2018	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Listed Debt £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2017	**16,292**	**–**	**990**	**200**	**17,482**
Purchase at cost	**–**	**–**	**–**	**–**	**–**
Transfer to listed equity securities	**(401)**	**401**	**–**	**–**	**–**
Disposal proceeds	**–**	**(17)**	**–**	**–**	**(17)**
Realised losses on disposals	**–**	**(47)**	**–**	**–**	**(47)**
Movement in net unrealised (losses)/gains on revaluation of investments	**(4,011)**	**(271)**	**12**	**(22)**	**(4,292)**
Valuation at 31 March 2018	**11,880**	**66**	**1,002**	**178**	**13,126**
Book cost at 31 March 2018	**35,785**	**1,947**	**1,003**	**3,006**	**41,741**
Net unrealised losses at 31 March 2018	**(23,905)**	**(1,881)**	**(1)**	**(2,828)**	**(28,615)**
Valuation at 31 March 2018	**11,880**	**66**	**1,002**	**178**	**13,126**

For the year ended 31 March 2017	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Listed Debt £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2016	19,674	247	–	717	20,638
Purchase at cost	–	–	1,003	–	1,003
Disposal proceeds	–	(218)	–	–	(218)
Realised losses on disposals	–	(2,244)	–	–	(2,244)
Movement in net unrealised (losses)/gains on revaluation of investments	(3,382)	2,215	(13)	(517)	(1,697)
Valuation at 31 March 2017	16,292	–	990	200	17,482
Book cost at 31 March 2017	37,045	971	1,003	3,006	42,025
Net unrealised losses at 31 March 2017	(20,753)	(971)	(13)	(2,806)	(24,543)
Valuation at 31 March 2017	16,292	–	990	200	17,482

Notes to the Financial Statements continued

For the year ended 31 March 2018

12. Financial assets and liabilities held at fair value through profit or loss (continued)

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

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Realised loss on disposal	**(47)**	(2,244)
Unrealised loss on revaluation	**(4,292)**	(1,697)
Unrealised loss on subsidiary loans	**(18)**	(135)
Total losses on financial assets at fair value	**(4,357)**	(4,076)

12.4 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 2018.

As at 31 March 2018

Financial assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments designated at fair value through profit or loss				
Listed debt	**1,002**	**–**	**–**	**1,002**
Listed equity securities	**66**	**–**	**–**	**66**
Unlisted equity securities and debt	**–**	**–**	**12,058**	**12,058**
Assets measured at fair value	**1,068**	**–**	**12,058**	**13,126**

As at 31 March 2017

Financial assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments designated at fair value through profit or loss				
Listed debt	990	–	–	990
Unlisted equity securities and debt	–	–	16,492	16,492
Assets measured at fair value	990	–	16,492	17,482

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 2.7 gives general guidance on the valuation approach adopted.

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

12.4 Fair value of financial instruments (continued)

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.

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.

Again, significant milestones need to be achieved in order to unlock the realisable value of these investments.

The net asset value has been adjusted for the fair value of the underlying assets and liabilities considered based on independent valuations for those assets. An adjustment/further discount has been made for factors such as the marketability of the investment due to it not being listed.

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. The directors also note the potential impact of the future decision to be taken by the shareholders regarding the continuing life of the company on its investment disposal strategy. The valuations do not include any adjustment that would result if the company was unable to continue as a going concern.

Notes to the Financial Statements continued

For the year ended 31 March 2018

12. Financial assets and liabilities held at fair value through profit or loss (continued)

12.5 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 At 31 March 2018 £'000	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 12.4.	**11,580**	Re-estimation of adjustment factors for transactional evidence identified in the year.	Transaction price negatively adjusted by up to 99.9% for marketability of investment nature of the fundraising and other risks.	A smaller adjustment for these factors would increase the fair value.
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.	**178**	Updates for long-term commodity price estimates and discounts for political risk, funding risk, and project stage.	Long-term commodity prices are discounted by up to 99.9% to account for risks.	Higher commodity prices and increased resource size mean higher fair value. Increases in resource confidence reduces the applied discount (and increases fair value.
Adjusted net asset value for factors outlined in Note 12.4.	**300**	Latest third party valuations for NAV of land, mineral rights and other underlying assets. Re-estimation of adjustment factors.	Net asset value negatively adjusted by up to 99.9% for marketability of investment and other risks.	A smaller adjustment for these factors would increase the fair value.

The following table shows the sensitivity of fair values to reasonably possible alternative assumptions in respect of unobservable inputs:

	At 31 March 2018 Reflected in profit or loss	
	Favourable change £'000	**Unfavourable change £'000**
Discount applied	**11,498**	**(4,786)**
In situ commodity prices	**1,639**	**(178)**

The analysis above has been prepared to reflect the impact of applying the directors' view of reasonably possible alternative adjustment factors for transactional based and net asset value based investments. This has been performed on an individual investment basis adding up to an additional 50 per cent. adjustment or decreasing this by up to 50 per cent. It also demonstrates the impact of up to 0.5 per cent. higher or lower discounts to 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	**2018**
Nickel (US$ / lb)	6.08

12. Financial assets and liabilities held at fair value through profit or loss (continued)

12.6 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 2018 £'000	31 March 2017 £'000
Opening balance at 1 April	**16,492**	20,391
Unrealised losses during the year (refer to note 12.2)	**(4,033)**	(3,899)
Realised losses during the year (refer to note 12.2)	**–**	–
Transfer to listed equity securities (level 1) [1]	**(401)**	–
Assets as at 31 March	**12,058**	16,492

[1] The cost price associated with the transfer to listed equity securities was GBP 1,260,193.

13. Loans and other receivables

	31 March 2018 £'000	31 March 2017 £'000
Receivable from Investment Manager	**7**	58
Receivable from subsidiary companies	**30**	45
Other receivables	**5**	1
Prepayments	**3**	7
	45	111

The receivable from subsidiary companies is unsecured, interest free and repayable on demand.

14. Cash and cash equivalents

	31 March 2018 £'000	31 March 2017 £'000
Cash and cash equivalents	**301**	1,488

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 2018 was 0.26 per cent. (2017: 0.17 per cent.). The company has no material interest bearing liabilities.

15. Trade and other payables

	31 March 2018 £'000	31 March 2017 £'000
Administration fee payable	**11**	13
Audit fee payable	**43**	57
Sundry creditors	**150**	30
	204	100

Notes to the Financial Statements continued

For the year ended 31 March 2018

16. Share Capital

Founder Shares	31 March 2018 £'000	31 March 2017 £'000
10,000 founder shares of £0.01 each authorised issued and fully paid	**–**	–

Founder shares

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, 75,000,000 shares of nil par value were issued to investors, with cash proceeds received of £ 75,000,000. These proceeds, net of transaction costs, were credited to the share premium account. The company applied to The Royal Court on 4 April 2007 for an order confirming the transfer of the company's share capital and share premium accounts to a distributable reserve. The special reserve was therefore established, which may be used or distributed in any manner as approved by the company, including the purchase of the company's own ordinary shares and payment of dividends.

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

Ordinary shares

There are an unlimited number of ordinary shares of nil par value authorised. At the end of the reporting period 64,221,501 ordinary shares (2017: 64,221,501) 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 (2017: 2,250,000) ordinary shares held in Treasury at 31 March 2018.

17. Share premium and special reserve

	31 March 2018 £'000	31 March 2017 £'000
Share Premium	**–**	–
Special reserve		
Opening balance	**66,361**	66,361
Ordinary shares repurchased	**–**	–
Impairment of investment	**–**	–
Transfer to revenue reserves	**(66,361)**	–
Closing balance	**–**	66,361

As at 31 March 2018, 2,250,000 (2017: 2,250,000) shares were held in Treasury. During the year ended 31 March 2018 no shares were repurchased (2017: no shares were repurchased). Due to the change in the Companies (Guernsey) Law 1994 to the Companies (Guernsey) Law, 2008, the company no longer needs to maintain a special reserve for distribution purposes. The Special Reserve has therefore been reclassified to Revenue Reserves in the current year.

18. Dividends

18.1 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.

Dividends declared and paid during the year are detailed below:

Date	Dividend amount	Total paid	Weighted average shares
13 June 2017	0.75p per ordinary share	£481,661	£64,221,501

18.2 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 5,000 of these shares are held by Shore Capital Limited (2017: 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:

(a) 25 per cent. of the Hurdle or, if less, the amount by which ordinary shareholder returns exceed the Hurdle (the "Surplus"); and

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

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

No performance dividend arising under the terms noted above has been paid or is payable in respect of the year ended 31 March 2018 (2017: £ nil).

19. Net asset value per share

	31 March 2018 £'000	31 March 2017 £'000
Net asset value	**13,268**	18,981
Ordinary shares in issue	**64,222**	64,222
Net asset value per ordinary share (pence per share)	**20.66**	29.56

The net asset value per ordinary share is based on the net asset value at the end of the reporting period and on 64,221,501 (2017: 64,221,501) ordinary shares being the shares in issue at the year end.

Notes to the Financial Statements continued

For the year ended 31 March 2018

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 18.2.

Graham Shore and Lynn Bruce are directors of the Investment Manager, St Peter Port Investment Management Limited.

Certain of the current and past 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 2018 amounted to £ 170,601 (2017: £ 228,654) with £ nil receivable at year end (2017: £ 5,580 payable).

The company holds 100 per cent. ownership of St Peter Port Capital (RFN) Limited, 100 per cent. ownership of SPPC Securities Holdings Limited, 100 per cent. ownership of Cerro Chorcha Limited and 80 per cent. of the ordinary share capital in Red Flat Nickel Corp. (an Investee Company). Financial support is provided to these subsidiary companies, including payment of operating expenses for Red Flat Nickel Corp.

During the year the company made loans of £ 2,409 to St Peter Port Capital (RFN) Limited, £ 3,178 to SPPC Securities Holdings Limited and £ 1,823 to Cerro Chorcha Limited, which included prepayments of £ nil each for St Peter Port Capital (RFN) Limited and Cerro Chorcha Limited and an accrual of £ nil for SPPC Securities Holdings Limited. Additionally, expenses totalling £ 56,595 were paid on behalf of Red Flat Nickel Corp.

21. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

22. Financial risks

22.1 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.

22.2 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.

22. Financial risks (continued)

22.2 Market risk (continued)

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:

Financial assets	31 March 2018		31 March 2017	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
	£'000		£'000	
Unlisted Investments (including corporate debt)	**12,058**	**90.88**	16,492	86.89
Listed Investments – Floating rate notes	**1,002**	**7.55**	990	5.22
Listed Investments – Equity	**66**	**0.50**	–	–
	13,126	**98.93**	17,482	92.11

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 Floating rate note investment at year end had increased/(decreased) by 10 per cent. with all other variables held constant, this would have impacted the assets attributable to shareholders of ordinary shares by approximately £ 100,200 (2017: £ 99,000).

10 per cent. 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.

Notes to the Financial Statements continued

For the year ended 31 March 2018

22. Financial risks (continued)

22.3 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 2018	Weighted Average Interest Rate	Interest Bearing Less than 1 month £'000	Non-interest Bearing £'000	Total £'000
Assets				
Equity and other securities	**0.00%**	**–**	**12,058**	**12,058**
Floating rate note	**0.88%**	**1,002**	**–**	**1,002**
Floating interest rate cash at bank	**0.26%**	**301**	**–**	**301**
Other receivables and prepayments	**0.00%**	**–**	**45**	**45**
Total assets		**1,303**	**12,103**	**13,406**
Liabilities				
Trade and other payables	**0.00%**	**–**	**204**	**204**
		1,303	**11,899**	**13,202**
Total interest sensitivity gap		**1,303**		

As at 31 March 2017	Weighted Average Interest Rate	Interest Bearing Less than 1 month £'000	Non-interest Bearing £'000	Total £'000
Assets				
Equity and other securities	0.00%	–	16,492	16,492
Floating rate note	0.87%	990	–	990
Floating interest rate cash at bank	0.26%	1,488	–	1,488
Other receivables and prepayments	0.00%	–	111	111
Total assets		2,478	16,603	19,081
Liabilities				
Trade and other payables	0.00%	–	100	100
		2,478	16,503	18,981
Total interest sensitivity gap		2,478		

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.

22. Financial risks (continued)

22.4 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 following table summarises the company's exposure to currency risks.

	31 March 2018		31 March 2017	
Currency	**Value**	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
Australian Dollar	**–**	**–**	–	–
Canadian Dollar	**65**	**0.49**	447	2.35
US Dollar	**11,710**	**88.26**	15,241	80.30

At year end, had the exchange rate between the currencies above and Pounds Sterling increased or decreased by 10 per cent. with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of ordinary shares would amount to approximately £6,541 (2017: £ 44,743) in respect of Canadian Dollars and £ 1,170,957 (2017: £ 1,524,601) 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.

22.5 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 12.4.

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 per cent. increase in the value of investments at year end would have increased the net assets attributable to shareholders by £ 2,625,200 (2017: £ 3,505,715). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

Notes to the Financial Statements continued

For the year ended 31 March 2018

22. Financial risks (continued)

22.5 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 2018 % of Net Assets	31 March 2017 % of Net Assets
Equity investments:		
Unlisted equities	**89.54**	85.84
Listed equities	**0.50**	–
Debt instruments:		
Corporate debt	**1.34**	1.05
Listed loan notes	**7.55**	5.22
Total investments assets	**98.93**	92.11

22.6 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 2018

	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	No stated maturity £'000
Accrued expenses	**204**	–	–	–

31 March 2017

	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	No stated maturity £'000
Accrued expenses	100	–	–	–

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

22.7 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 2018 £'000	31 March 2017 £'000
Investments in debt instruments	**1,180**	1,190
Cash and cash equivalents	**301**	1,488
Other assets	**45**	111
Total	**1,526**	2,789

22. Financial risks (continued)

22.7 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, and financial instruments held with reputable financial institutions, the company’s financial assets exposed to credit risk were concentrated in the following industries:

	31 March 2018 % of Net Assets	**31 March 2017 % of Net Assets**
Oil & Gas	–	–
Mining	**1.34**	1.05
Total investment assets	**1.34**	1.05

Out of the totals above, 1.34% (2017: 1.05%) 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

Incorporated and registered in Guernsey with registration number 46526

Notice of Annual General Meeting

3rd Floor
1 Le Truchot
St Peter Port
Guernsey
GY1 1WD

18 June 2018

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ST PETER PORT CAPITAL LIMITED WILL BE HELD AT 3RD FLOOR, 1 LE TRUCHOT, ST PETER PORT, GUERNSEY ON 16 JULY 2018 at 10:00 A.M. TO CONSIDER AND IF THOUGHT FIT PASS THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:

ORDINARY RESOLUTIONS

1. To receive the annual audited accounts and balance sheet and the reports of the Directors and Auditors for the period ended 31st March 2018.

2. THAT Lynn Bruce, who has offered herself for re-appointment in accordance with the company's Articles of Incorporation, be re-appointed as a Director of the company.

3. THAT Deloitte LLP, the auditors of the company, be re-appointed to hold office from the conclusion of the AGM 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. THAT the company's Investing Policy, which is detailed at Note 1 of the annual audited accounts which have been circulated to the shareholders, be approved.

5. THAT:

   (a) the life of the company be continued; and

   (b) for at least one more year the company not be wound up by the Directors and the Investment Manager through a process of orderly realisation by the company of its investments and cessation of further investment.

6. 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 2019 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

Authorised Signatory
for Maitland Administration (Guernsey) Limited
Corporate Secretary

Please note that you are entitled to appoint a Proxy to vote instead of you on any poll. The Proxy need not be a Member of the company. The form appointing a Proxy must be lodged with **Link Asset Services, 6th Floor, 65 Gresham Street, London EC2V 7NQ** not less than 48 hours before the AGM to enable the Proxy to vote for you

See notes below

Notes:

1. A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not also be a shareholder of the company. 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. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy at the AGM other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

4. The quorum for the Meeting is two shareholders present either in person or by proxy. 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.

5. 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.

6. 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 23 July 2018 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 fifty per cent. (50%) of the total number of votes cast is required to pass each ordinary resolution.

7. 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.

8. 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, at close of business on the day 48 hours before the time fixed for the Meeting.

ST PETER PORT CAPITAL LIMITED ("the Company")

FORM OF PROXY FOR USE AT THE ELEVENTH ANNUAL GENERAL MEETING ("AGM")

to be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, on 16 July 2018 at 10:00 a.m. and at any adjournment thereof

I/We ______________________________

(BLOCK LETTERS PLEASE)

of ______________________________

being (a) member(s) of above named company, hereby appoint the Chairman of the Meeting or *

____

as my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the company to be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, on 16 July 2018 at 10:00 a.m. and at any adjournment thereof. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman. A proxy need not be a member of the company.

I/We direct my/our proxy to vote as follows:

ORDINARY RESOLUTIONS THAT:	FOR	AGAINST	ABSTAIN
1 To receive the annual audited accounts and balance sheet and the reports of the Directors and Auditors for the period ended 31st March 2018.			
2 THAT Lynn Bruce, who has offered herself for re-appointment in accordance with the company's Articles of Incorporation, be re-appointed as a Director of the company.			
3 THAT Deloitte LLP, the auditors of the company, be re-appointed to hold office from the conclusion of the AGM 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 THAT the company's Investing Policy, which is detailed at Note 1 of the annual audited accounts which have been circulated to the shareholders, be approved.			
5 THAT: (a) the life of the company be continued; and (b) for at least one more year the company not be wound up by the Directors and the Investment Manager through a process of orderly realisation by the company of its investments and cessation of further investment.			
6 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 it is in accordance with the provisions detailed in the Notice and Agenda of this Annual General Meeting.			

____

Signed this day of 2018

____

Signature

in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman

Notes:

(i) Please indicate with an "X" in the appropriate box how you wish the proxy to vote.

(ii) The proxy will exercise his discretion as to how he votes or whether he abstains from voting:

a. on the resolutions referred to in this form of proxy if no instruction is given in respect of the resolution; and

b. on any business or resolution considered at the meeting other than the resolutions referred to in this form of proxy.

(iii) In accordance with sections 222 and 223 of The Companies (Guernsey) Law 2008. you may appoint more than one person as your proxy to exercise all or any rights to attend and to speak and vote

(iv) To be valid the original of this form of proxy and the original of any power of attorney or of the authority under which it is executed (or a certified or office copy of such power of attorney) must be lodged with **Link Asset Services, 6th Floor, 65 Gresham Street, London EC2V 7NQ** not later than 48 hours before the time appointed for the Eleventh Annual General Meeting. Completing and returning this form of proxy will not prevent you from attending the meeting and voting in person if you so wish.

(v) A form of proxy executed by a corporation must be either under its common seal or signed by an officer or attorney duly authorised by that corporation.

(vi) In the case of joint holdings, the signature of the first named Member on the Register of Members will be accepted to the exclusion of the votes of the other joint holders.

(vii) If you complete and return this Form of Proxy, it will not prevent you from attending in person and voting at the Meeting should you subsequently decide to do so.

Officers and Professional Advisers

St Peter Port Capital Limited
Registration Number: 46526

Administrator and Secretary
From 1 April 2017 – 31 December 2017
Intertrust Fund Services (Guernsey) Limited
P.O. Box 119
Martello Court
Admiral Park
St Peters Port
Guernsey, GY1 3HB
From 4 January 2018 – 31 March 2018
Maitland Administration (Guernsey) Limited
3rd Floor
1 Le Truchot
St Peter Port
Guernsey, GY1 1WD

Registered Office
3rd Floor
1 Le Truchot
St Peter Port
Guernsey, GY1 1WD

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

Principal Bankers
ABN AMRO (Guernsey) Limited
P.O. Box 253
Martello Court
Admiral Park
St Peter Port
Guernsey, GY1 3QJ

Nominated Advisor (Nomad)
Grant Thornton UK LLP
30 Finsbury Square
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EC2P 2YU

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