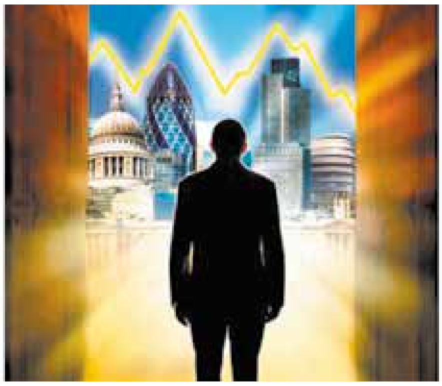
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

Contents

Chairman's Statement & Investment Report

Chairman's Statement

Introduction

I report upon the year ended 31 March 2020.

Background

These final results have been prepared using the information we have available, but against the backdrop of major economic disruption. Measures to deal with COVID-19 have impacted the entire economy of the world and, most probably, touched every sector. It is too early to comment on the medium-term effects on investment markets and values. We can only at this stage comment upon the short term impacts on the Company's portfolio.

Some of our core companies have achieved further progress in the reporting period but progress remains slow. It has not been helped by the current COVID-19 pandemic. We continue to seek opportunities to sell down St Peter Port's positions at a sensible price and remain focused on shareholders' wish to liquidate the portfolio as soon as possible on reasonable terms.

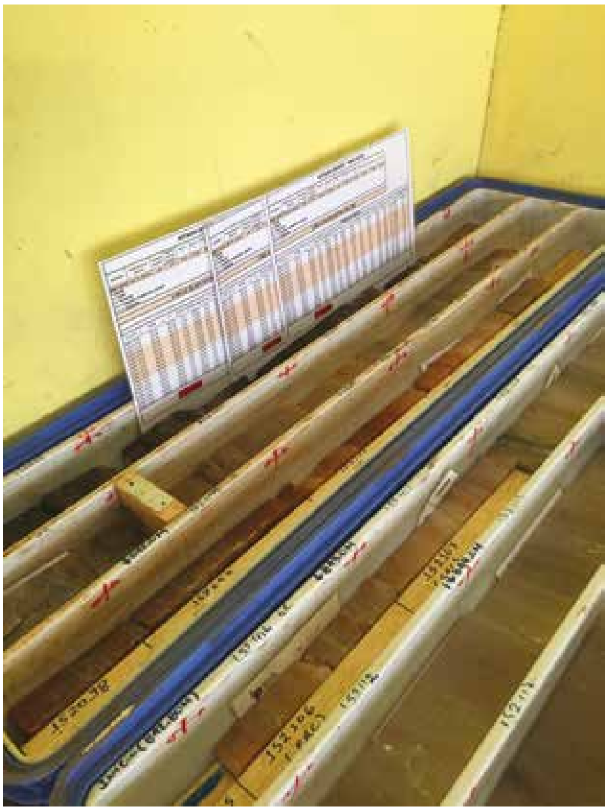
Financial Results

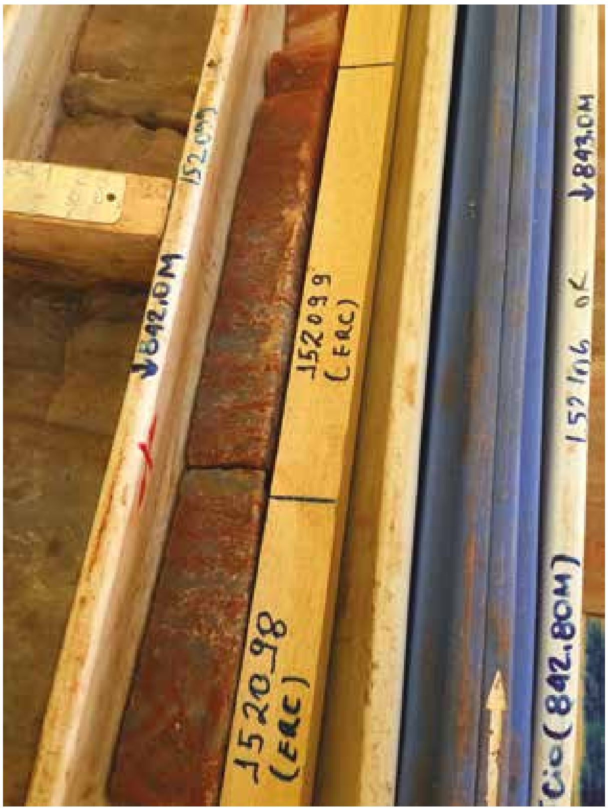
The balance sheet shows investments of £9.8 million (2019: £10.4 million), consisting of financial assets at fair value through profit or loss of £9.8 million (2019: £10.4 million). Net assets were £10.2 million (2019: £11.1 million), giving a net asset value of 15.81p per share (2019: 17.21p per share). Net assets have decreased by 12.9 per cent. since the interim results as at 30 September 2019. The changes result from write-downs to several of the portfolio valuations, all as described further in the Investment Report overleaf.

At the balance sheet date, the Company held £425,000 in cash (2019: £756,000). As at 27 May 2020, the Company held £395,000 in cash, sufficient for at least another 12 months of the Company's operations.

Realisation and Investments

The Company made no new investments during the year and, reflecting the current illiquidity of our portfolio, made no realisations during the period under review.





Brazil Potash – the core shack in Autazes

Chairman's Statement & Investment Report continued

Investment Report

As previously reported, having terminated its discretionary investment management agreement with St Peter Port Investment Management Limited, the Company is now a self-managed fund.

The Company's portfolio comprises a potash mine development in Brazil, an oil exploration project in the Caspian Sea, a nickel development project in Oregon, USA, a company engaged in the development and manufacture of technology for screens which allows viewers to watch in 3D without glasses, a vaccine development company in the UK focused on a universal flu vaccine and a large farmland owner in Uruguay. As previously reported, the size of each holding as a percentage of each portfolio company's share capital is small (less than 2 per cent), other than in the case of the nickel development project, in which the Company has an indirect controlling interest and the vaccine development company, in which the Company has an interest of approximately 7 per cent. Most of the portfolio companies have their main activity outside of the UK and all the holdings are currently in private companies, its remaining listed positions having been sold down during previous financial years.

The following table shows the breakdown by sector of the portfolio (excluding investments fully written off) as at 31 March 2020:

Investments by Sector as at 31 March 2020

Sector	Number	Cost £m	Book Value £m	Percentage (of book value)
Mining	**2**	**3.7**	**6.1**	**62.4**
Oil and Gas	**1**	**1.8**	**3.0**	**30.4**
Technology	**2**	**1.7**	**0.5**	**5.6**
Ag./ Forestry	**1**	**1.9**	**0.2**	**1.6**
Total	**6**	**9.1**	**9.8**	**100.0**

The table below shows the breakdown by region of the portfolio (excluding investments fully written off) as at 31 March 2020:

Investments by Region as at 31 March 2020

Analysis by continent[1]	Number	Cost £m	Book Value £m	Percentage (of book value)
Europe	**1**	**0.7**	**0.3**	**3.6**
North America	**2**	**3.2**	**0.4**	**4.1**
Asia	**1**	**1.8**	**3.0**	**30.4**
South America	**2**	**3.4**	**6.1**	**61.9**
Total	**6**	**9.1**	**9.8**	**100.0**

[1] This is based on area of company's principal activities, rather than its place of incorporation. Stream TV has been included in North America as this is where a significant element of its administration and sales activities takes place, but it has R&D in Europe and manufacturing in Asia.

Top Three Investments as at 31 March 2020

The following table lists SPPC's top three investments by value as at 31 March 2020 representing 94.3 per cent. by value of the portfolio.

Company	Cost £ 000's	Valuation £ 000's	Gain[1] £ 000's	Status
Brazil Potash Corp	1,507	5,906	4,399	Unquoted
Buried Hill Energy (Cyprus) Plc	1,749	2,982	1,233	Unquoted
iQur	727	348	(379)	Unquoted
Total	3,983	9,236	5,253	

Portfolio review

Brazil Potash

Brazil Potash 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 the management of Brazil Potash believe 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.

Brazil Potash's management report that the company has recently achieved some major permitting milestones, including the approval by Brazil's mineral agency of their economic development plan ("EDP") which is one of the main authorizations required to be issued by Brazil's Mining Minister pre-construction. This means 76 of the required 78 social and environmental studies needed to obtain the Installation License as required for project construction to commence have been completed out of which 69 have been approved by the Amazonas State Environmental Agency. The final two items required relate to completion of indigenous consultations which have started but are currently on hold due to the outbreak of the Coronavirus. In addition to having the EDP approved, Brazil Potash has also received approval for its port construction authorization license.

As noted in the Company's interim report, last year Brazil Potash signed a binding Engineering, Consulting and Construction ("EPC") contract with CITIC Construction ("CITIC") that includes a condition whereby CITIC committed to arranging the bulk of funding required for project construction in exchange for being awarded the EPC contract. CITIC's parent company, CITIC Ltd., has a market capitalization of over US$200 billion and is one of the largest State-Owned Enterprises ("SOE") in China. Whilst Brazil remains in Coronavirus lockdown, China is beginning to return to normal so the management are progressing discussions with a consortium of Chinese investors for project construction.

Brazil Potash also recently announced its intention to undertake a new United States Regulation A+ equity raise to bring the project to a construction ready state.

Whilst Brazil Potash is no closer to an exit by way of an IPO or sale of the company, we are encouraged by this progress which should help SPPC's efforts to sell its position in Brazil Potash in the secondary market. The board decided to leave the valuation as is at US$2.50 per share.

Buried Hill

Buried Hill has a Production Sharing Agreement ("PSA") 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 Buried Hill's co-venturer (an international oil major) and the company's leadership is strong.

We understand that shortly before the year end, the presidents of Turkmenistan and Azerbaijan met and agreed to go ahead with the joint development on the terms of the 2016 "agreement" – i.e. 70% to Turkmenistan and 30% to Azerbaijan. Buried Hill's management team was given the news personally by the Turkmenistan Oil Minister. Lukoil will be the partner on the Azeri side with Buried Hill the partner on the Turkmen side and we understand that Lukoil and Buried Hill have been negotiating a formal agreement in the last few months. Unfortunately, the Coronavirus lockdown has slowed this process but Buried Hill remain confident that the agreement will be signed in the short term.

Meanwhile, Buried Hill's ongoing focus has been on protecting its rights under the Block III PSA whilst reviewing its ongoing costs to maintain a sustainable level. As previously reported, Buried Hill has placed the licence into Force Majeure which should achieve all the objectives envisaged under freezing but, as a unilateral act, is not without risk.

In the event the Turkmenistan/Azerbaijan agreement is concluded, we would expect renewed interest in Buried Hill which should help SPPC's efforts to sell its position in the secondary market. Meanwhile, Buried Hill remains substantially funded (in relation to this project) and your board has decided to leave the valuation as is at US$1.60 per share

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 reported some time ago that it has shown that its influenza vaccine lead candidate protects against lethal influenza infection in mice (with experiments conducted at three different independent laboratories) and is confident that its vaccine has true potential as a "universal" flu vaccine on the basis of these tests. iQur continues to seek funding to pursue a phase 1 clinical trial of its flu vaccine, but the investment climate for small bio-tech companies for the last two years has been difficult. The company's CEO

Chairman's Statement & Investment Report continued

has told us that the company has sufficient cash for its immediate needs and that its small diagnostics business continues to generate some net cash.

iQur's technology has the capability to deliver vaccines against a broad range of viral diseases. The company has done some very preliminary work and believes that its Tandem Core platform could be used to deliver antigens related to COVID-19. It is in the early stages of exploring whether there is potential to fund such a development.

The board decided to leave the valuation as is at £2.10 per share.

Red Flat Nickel

St Peter Port is the indirect owner of 80 per cent. of the issued share capital of Red Flat Nickel Corporation, 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 Department of Agriculture).

Red Flat Nickel estimates that there may be 143,000 tonnes of nickel in Gold Beach alone (the smaller site). It estimates that the average amount of nickel required for an electric vehicle is about 40kg, and for this reason the company believes that there is potentially enough nickel in Gold Beach for over 3,500,000 electric vehicles. To be able to supply the material for such a large number of electric vehicles would represent a huge environmental benefit and we note that Tesla is building a large battery plant on the California/ Nevada border.

In addition to the nickel, RFNC also believes that there are economically viable quantities of scandium and cobalt (also a battery constituent) at both sites. Both scandium and cobalt are included in the Department of Interior's 2018 list of 35 minerals considered critical to the economy and security of the United States (and both of which the US is increasingly reliant on China and other countries for imports). The United States imports all three minerals from countries with much lower environmental standards than are applied in its own territory.

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.

Objections to some minor test drilling which was initially proposed at Red Flat in 2013 were adopted and then led by, amongst others, Senators Wyden and Merkley in Oregon and resulted in the 20-year withdrawal (which Senator Wyden is seeking to make permanent). The objections themselves could not possibly have been about the very light drilling programme which was proposed (and which the local Forest Service itself advised would have no environmental impact), and rather were about stymieing the project before it had any momentum.

Red Flat Nickel has continued to explore available options to reverse the decision to have its claims withdrawn from mineral extraction. To that end, Red Flat continues to engage with local officials and make representations in Washington DC. Meanwhile, it has ensured that its mining claims are kept renewed to allow it to seek to establish that it had Valid Existing Rights prior to the withdrawal, in an effort to obtain compensation for the loss of its opportunity.

The board decided to leave the valuation unchanged

Mediatainment - Stream TV Networks

Stream TV ("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.

During the year under review, following an intra-group restructuring, SPPC's shares are now held directly in Stream TV Networks, Inc (previously they were held through a holding company, Mediatainment, Inc.) which should put SPPC in a better position to take advantage of any future realisation opportunity.

As previously reported, STV has entered into a strategic alliance with Chinese panel manufacturing giant BOE. has expanded its approved and already strong patent portfolio and added a team based in Silicon Valley who are closer to the market for recent commercialisation / productisation developments.

However, recent developments have been less encouraging. STV recently reported that, as a result of recent developments in television screen and tablet technology, it needs to develop a new generation of its own technology. The lockdown in China and now the lockdown in California have led to delays in progressing this work. Consequently, it anticipates that it is still 18 months away from being able to fully commercialise its products. Moreover, we have been made aware of a potentially damaging dispute between the management of STV and some of its non-executive directors and debt-holders. As a result of these recent developments, your board has decided to write down SPPC's carrying value of this investment from US$1.00 to US$0.25 per share.

Agriculture Investment Group (formerly Union Agriculture Group) ("AIG")

Agriculture Investment Group ("AIG") is a diversified agribusiness firm that is the largest agricultural company operating in Uruguay with more than 100 farms across over 180,000 hectares, nearly 1% of Uruguay's total land mass. AIG 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 the company 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.

Shortly before the year-end, AIG carried out an auction at which the company sold treasury shares at US$0.57 per share (exceeding the minimum price which had been set at US$0.50). The proceeds of the sale were used to further reduce AIG's debt as well as provide further cash at the start of this harvest season under the extremely uncertain conditions resulting from the Coronavirus pandemic.

AIG's latest shareholder report notes that it has achieved a positive EBITDA (US$0.6 million) for the third consecutive year and, as well as the company's debt reduction programme, it remains focused on reducing operational costs where possible.

SPPC had been valuing its investment at US$0.825 per share; however, given the results of the treasury share sale referred to above and notwithstanding the company's most recently reported NAV (US$2.34 per share as at 31 December 2019), your board has decided to write down SPPC's carrying value of this investment to US$0.57 per share, or a discount of some 75% to the last net asset value reported by AIG.

Other developments

We continue to monitor all SPPC's written-down investments but there has been no substantive news in relation to any of these during the period under review.

Dividends

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 above, whilst there have been some positive developments in our portfolio of companies, none are any closer to being in a position where they are able to realise a liquidity event (a sale of the company or an IPO). Moreover, despite all our efforts, we have not been able to sell any of these holdings in the secondary market on terms which your board believes is reasonably close to their underlying value.

Over the last couple of years, we have undertaken a significant cost-cutting exercise. We are now a self-managed fund with significantly reduced costs. All your directors have reduced their fees and have negotiated reductions in the fees of numerous professionals, including the Guernsey based administrator. As you will note, we have also recently changed auditors to cut costs even further.

We recognise the mandate given to us at the EGM earlier this year at which shareholders voted to continue the life of the Company for another year. Despite the unprecedented market turbulence in light of the COVID-19 pandemic, we remain focused on liquidating the portfolio as soon as possible on sensible terms.

Lynn Bruce
Chairman
for and on behalf of
St Peter Port Capital Limited
28 May 2020

Board of Directors and Investment Advisers

Lynn Bruce
(aged 59), Director and Chairman
Lynn Bruce is a Chartered Accountant (Scotland) having trained at KPMG, London. She is a director of Shore Capital Group Limited and before that 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. She holds a B.Sc. Hons in Business Mathematics and Accountancy from Dundee University.

Graham Barry Shore
(aged 64), 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 59), 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 2020 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 6, 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 may take place as outlined in the Outlook section of the Chairman's Statement in this report.

The former Investment Manager, St Peter Port Investment Management Limited, 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 2020, no dividends were declared or paid. The directors propose that no dividend be declared and paid in respect of the year ended 31 March 2020 (2019: Nil).

As at 31 March 2020, 2,250,000 (2019: 2,250,000) shares were held in Treasury. During the year ended 31 March 2020 no shares were repurchased (2019: 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.

As discussed in the Outlook section of the Chairman's Statement in this report, it is possible that shareholders will be asked to vote in relation to:

- continuing the life of the company;
- and for at least one more year the company not be wound up by the Directors through a process of orderly realisation by the company of its investments and cessation of further investments.

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.

The COVID-19 pandemic which struck in the final month of the company's year end has caused widespread disruption to all forms of economic activity across the world. The company has considered its ability to continue as a going concern in the context of these developments. Whilst the pandemic has slowed the progress of realising a liquidity event in our investments, the Directors have reviewed forecasts which show the company has enough resources to continue in operation as a going concern for the next 12 months.

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 2020 the directors' interests in the ordinary shares of the company were as follows:

	2020 Ordinary shares	2019 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 2020 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:

	2020 £	2019 £
Lynn Bruce (Chairman)	**10,000**	14,167
Russel Andrew Peter Michel (Director)	**10,000**	14,167

The above fees do not include reimbursed expenses for the directors. All reimbursements paid to the directors were immaterial.

Significant shareholdings

At 31 March 2020 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
Nortrust Nominees Limited GSYA ACCT	**15,650,000**	23.54%
Pershing Nominees Limited SHCLT ACCT [1]	**10,793,293**	16.24%
Lynchwood Nominees Limited	**6,500,000**	9.78%
Rock Nominees Limited ISA ACCT	**3,626,000**	5.45%
The Bank of New York Nominees Limited	**2,935,100**	4.41%

[1] Includes 10,793,293 (2019: 12,543,293) ordinary shares held by clients of Shore Capital Limited and Shore Capital Stockbrokers Limited, including 6,350,000 shares (2019: 6,350,000) in respect of Shore Capital Group Investments Limited.

Independent Auditors

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

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.

APPROVED BY THE BOARD OF DIRECTORS

L. Bruce
Chairman

Date: 28 May 2020

Independent Auditor's Report to the Shareholders of St Peter Port Capital Limited

Opinion

We have audited the financial statements of St Peter Port Capital Limited ("the company") for the year ended 31 March 2020 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS").

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'). Our responsibilities under these 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 Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with those 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 your attention to note 2.2. of the financial statements which states that it is possible that 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. This indicates that a material uncertainty exists that may cast significant doubt on the company's likelihood of continuing as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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.

Going concern

The material uncertainty regarding going concern was identified as a key audit matter, and is described above.

Valuation of investments

The majority of the company's investment portfolio consists of unrealised investments measured at fair value through profit and loss, which by their nature are more complicated to value than listed investments. As at 31 March 2020, 97% of the net asset value of the company (2019: 94%) consisted of unlisted equity and debt securities. Valuation of unlisted investments, as detailed in note 3, is subject to a significant amount of estimation uncertainty and may therefore be subject to management bias which we have identified as a significant risk.

Our approach to testing the valuation of investments is designed to identify material misstatements as a result of fraud or error. For all investments held at the year end we have:

- obtained an understanding of the valuation methods used and determined whether or not these are appropriate methods in the circumstances;
- confirmed investment holding by checking to an external source;
- recalculated the valuation where the investment was not written down to zero in the financial statements;
- confirmed that a nil valuation is appropriate for all investments written down to nil; and
- reviewed the accuracy and completeness of the disclosures required under IFRS.

We concluded that the valuation of investments was appropriate under the circumstances, however taken in conjunction with the material uncertainty regarding concern described above, the amounts ultimately realised on disposal of investments may be materially different to the values provided in the financial statements. It is not possible to quantify the effect of these uncertainties.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the level of misstatement that would probably influence the economic decisions of a reasonably knowledgeable person.

When establishing our overall audit strategy, we determined what level of uncorrected misstatements would be material for the financial statements as a whole. We considered that gross assets were one of the principal considerations for shareholders in assessing the financial performance of the company and determined planning materiality to be £205,000, which is approximately 2% of gross assets.

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

We agreed with the directors that we would report to them all audit differences in excess of £10,000, and also any other differences that, in our view, should be reported on qualitative grounds.

An overview of the scope of our audit

During our audit planning, we determined materiality and assessed the risks of material misstatement in the financial statements including the consideration of where directors made subjective judgements, for example, in respect of the assumptions that underlie significant accounting estimates and their assessment of future events that are inherently uncertain. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole taking into account the Company, its accounting processes and controls, and the industry in which it operates.

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. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this regard.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of 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 of 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 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 the auditor's 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.

Jeff Vincent FCA (Senior statutory auditor)
For and on behalf of MOORE STEPHENS
Town Mills South
La Rue Du Pre
St Peter Port
Guernsey, GY1 3HZ

Date: 28 May 2020

Statement of Financial Position

As at 31 March 2020

		As at 31 March 2020	As at 31 March 2019
Assets	**Notes**	**£'000**	**£'000**
Current assets			
Financial assets at fair value through profit or loss	12	**9,795**	10,382
Loans and other receivables	13	**20**	11
Cash and cash equivalents	14	**425**	756
Total assets		**10,240**	11,149
Liabilities			
Current liabilities			
Trade and other payables	15	**(86)**	(96)
Net assets		**10,154**	11,053
Equity			
Capital and reserves attributable to equity holders of the Company			
Revenue reserve		**10,154**	11,053
Total equity		**10,154**	11,053
Net asset value per ordinary share (pence per share)	18	**15.81**	17.21

Approved by the Board of Directors on 28 May 2020.

L. Bruce
Chairman

The accompanying notes 1 to 21 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March 2020

	Notes	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Net losses on financial assets at fair value through profit or loss	12.3	**(587)**	(1,682)
Interest income	4	**3**	1
Foreign exchange gain		**1**	–
Other income	4	**–**	7
Net investment loss		**(583)**	(1,674)
Administrative expenses	2.5	**(316)**	(541)
Net loss from operations		**(899)**	(2,215)
Loss for the year attributable to shareholders of the company		**(899)**	(2,215)
Basic and diluted loss per ordinary share (pence)	11	**(1.40)**	(3.45)

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 21 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2020

	Notes	Revenue Reserve £'000	Total £'000
Opening balance as at 1 April 2018		13,268	13,268
Total loss for the year attributable to shareholders of the company		(2,215)	(2,215)
Balance as at 31 March 2019		11,053	11,053
Total loss for the year attributable to shareholders of the company		(899)	(899)
Balance at 31 March 2020		**10,154**	**10,154**
Note	16		

The accompanying notes 1 to 21 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2020

		Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities	**Notes**	**£'000**	**£'000**
Interest and investment income		**3**	1
Operating expenses paid		**(335)**	(676)
Net cash outflow from operating activities		**(332)**	(675)
Cash flows from investing activities			
Sale of investments		**–**	1,096
Repayment of subsidiary loans		**–**	34
Net cash inflow from investing activities		**–**	1,130
Net (decrease) / increase in cash and cash equivalents		**(332)**	455
Foreign exchange gain		**1**	–
Cash and cash equivalents at the beginning of the year		**756**	301
Cash and cash equivalents at the end of the year	14	**425**	756

The accompanying notes 1 to 21 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2020

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 has adopted the Investment Entities amendments to IFRS 10 and as such is not consolidating the subsidiaries described in note 2.3 in these financial statements as the company is considered by the directors to be an investment entity.

The company's investment strategy was primarily to invest in unquoted companies which were close to a liquidity event. The funds invested by the company were intended to provide the working capital to facilitate such an event.

The investment strategy 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.

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

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

2. Summary of significant accounting policies

This financial information for the year ended 31 March 2020 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.

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.

New standards and amendments mandatory for years ended 31 March 2020

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 2019.

New accounting standards and interpretations applicable for future periods

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective.

- IAS 1 Presentation of Financial Statements' (effective for periods commencing on or after 1 January 2022). Disclosure Initiative: Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date is yet to be set). Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
- IFRS 17 Insurance Contracts (effective for periods commencing on or after 1 January 2021). IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

Notes to the Financial Statements continued

For the year ended 31 March 2020

2. Summary of significant accounting policies (continued)

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.

In accordance with the commitment given to the shareholders they will be asked to vote in relation to:

- continuing the life of the company; and
- for at least one more year the company not be wound up by the Directors through a process of orderly realisation by the company of its investments and cessation of further investments.

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.

The COVID-19 pandemic which struck in the final month of the company's year end has caused widespread disruption to all forms of economic activity across the world. The company has considered its ability to continue as a going concern in the context of these developments. Whilst the pandemic has slowed the progress of realising a liquidity event in our investments, the Directors have reviewed forecasts which show the company has enough resources to continue in operation as a going concern for the next 12 months.

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, 80 per cent. of the ordinary share capital in Red Flat Nickel Corp. (an Investee Company), and 100 per cent. ownership of St Peter Port Capital Services Limited (the Investment Advisor). Financial support is provided to these subsidiary companies, including payment of operating expenses during the year ended 31 March 2020 for Red Flat Nickel Corp. of £20,018 (2019: £52,659) and for SPPC Securities Holdings Limited of £2,774 (2019: £2,699).

St Peter Port Capital (RFN) Limited is an investment holding company which is 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. SPPC Securities Holdings Limited is undergoing a voluntarily liquidation. Cerro Chorcha Limited, a former wholly-owned subsidiary of the company, was struck off with effect from 3 June 2019. St Peter Port Capital Services Limited was incorporated on 29 August 2019 and provides investment advisory services to the company.

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 IFRS 9. 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. Summary of significant accounting policies (continued)

2.5 Running costs and expenses

The company bore all fees and out of pocket expenses properly incurred by the Investment Manager which for the year ended 31 March 2019 and up until 2 September 2019 was St Peter Port Investment Management Limited.

On 2 September 2019, as part of the cost cutting exercise the agreement between the company and St Peter Port Investment Management Limited was terminated, the company became self-managed, and an advisory agreement was entered into with St Peter Port Capital Services Limited (the "Investment Advisor"). The company will bear all fees and out of pocket expenses properly incurred by the Investment Advisor which for the period 2 September 2019 to 31 March 2020 was St Peter Port Capital Services Limited.

The administrator for the years ended 31 March 2019 and 2020 was Maitland Administration (Guernsey) Limited. The Registrar which for the years ended 31 March 2019 and 2020 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, auditor's fees, listing costs and the costs of distribution of reports and accounts and other documentation to shareholders.

The administration expenses during the year were as follows:

Administration expenses	**31 March 2020 £'000**	**31 March 2019 £'000**
Administration fees	**45**	48
Audit fees	**25**	32
Investment management fees	**120**	256
Legal and professional fees	**92**	160
Directors and consultancy fees	**20**	28
Insurance	**7**	9
Sundry expenses	**7**	8
	316	541

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 or other liquidity event within a reasonably short time horizon.

The company mainly operates in the following sectors:

Financial assets	**31 March 2020 £'000**	**%**	**31 March 2019 £'000**	**%**
Oil & Gas	**2,982**	**30.44**	2,842	27.37
Mining	**6,108**	**62.36**	5,819	56.05
Technology	**551**	**5.63**	1,508	14.53
Agriculture / Forestry	**154**	**1.57**	213	2.05
	9,795		10,382	

Notes to the Financial Statements continued

For the year ended 31 March 2020

2. Summary of Significant Accounting Policies (continued)

2.6 Segmental reporting (continued)

And in companies with the following countries of domicile.

Financial assets	31 March 2020 £'000	%	31 March 2019 £'000	%
South America	**5,907**	**60.31**	5,628	54.21
Cyprus	**2,982**	**30.44**	2,842	27.37
United Kingdom and Ireland	**348**	**3.55**	348	3.35
United States of America	**404**	**4.13**	1,351	13.02
British Virgin Isles	**154**	**1.57**	213	2.05
	9,795		10,382	

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 Advisor) 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 IFRS 9. Investments are measured at fair value. A summary of the more relevant IPEVC valuations is set out on the next page.

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. Summary of Significant Accounting Policies (continued)

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 2020 and 2019 respectively.

2.13 Trade and other receivables

Trade and other receivables are stated at cost less provision for expected credit losses, which was materially equal to fair value as at 31 March 2020 and 2019 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.

In accordance with the commitment given to the shareholders they will be asked to vote in relation to:

- continuing the life of the company; and
- for at least one more year the company not be wound up by the Directors through a process of orderly realisation by the company of its investments and cessation of further investments.

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 2020

3. Critical accounting judgements and estimates (continued)

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 2020 £'000	Year ended 31 March 2019 £'000
Bank and broker interest	**3**	1
Total interest income	**3**	1
Investment income	**–**	7
Total other income	**–**	7

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 £ 43,000 per annum (2019: £ 48,000) for the performance of the administration services. The annual administration fee was reduced to £43,000 on 1 July 2019. The administrator is also entitled to reimbursement for its reasonable expenses in providing the administration services. Total administration fees for the year ended 31 March 2020 amounted to £ 45,287 (2019: £ 48,000) with £ 11,250 (2019: £ 12,000) outstanding at the year end.

6. Management fees

Under the Investment Management Agreement, the Investment Manager was entitled to receive a management fee of 2 per cent. per annum of net asset value which was 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 had agreed to a temporary reduction to 1.5 per cent. (effective 28 July 2014) as part of the cost cutting exercise, with a further reduction to 1.25 per cent effective 1 January 2019. Management fees for the year to 31 March 2020 amounted to £ 58,774 (2019: £ 189,040) with with nothing outstanding at the year end. Reimbursements to the Investment Manager for the year to 31 March 2020 amounted to £ 21,948 (2019: £ 70,828) with £ nil payable at the year end (2019: £ 43,523).

The Investment Manager was 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.

On 2 September 2019, the agreement between the company and Investment Manager was terminated and an advisory agreement was entered into with St Peter Port Capital Services Limited. The agreed annual advisory fees between the two parties is £ 63,000 under the new advisory agreement. Total advisory fees for the period to 31 March 2020 amounted to £ 36,750 (2019: £ nil) with £ 36,750 outstanding at the year end (2019: £ nil).

7. Directors' and consultancy fees

Ms Bruce and Mr Michel are paid a remuneration of £ 10,000 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 2020 amounted to £ 20,000 (2019: £ 28,333) with £ nil outstanding at the year end (2019: £ nil). No consultancy fees were incurred for the years ended 2020 and 2019.

8. Broker fees

Under the Broker Agreement between the company, Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited, the company paid an annual retainer of £ 10,000 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. The annual fees were reduced to £ 2,500 from 1 July 2019 onwards. Total broker fees for the year to 31 March 2020 amounted to £ 4,375 (2019: £ 30,000) with £ nil (2019: £ nil) 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 2020 amounted to £ 30,000 (2019: £ 30,000) with £ nil (2019: £ nil) prepaid at the year end.

10. Audit fees

Audit fees for the year to 31 March 2020 amounted to £ 25,000 (2019: £ 32,500) with £ 25,000 (2019: £ 25,000) outstanding at year end. There were no non-audit services provided by the company's auditor in the year ended 31 March 2020 or 2019.

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 £ 899,000 (2019: £ 2,215,000) and on 64,221,501 (2019: 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.

Notes to the Financial Statements continued

For the year ended 31 March 2020

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 2020	Market Value at 31 March 2020	Historic cost at 31 March 2019	Market Value at 31 March 2019
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Unlisted equity securities	**33,733**	**9,594**	33,733	10,190
Listed equity securities	**3,169**	**–**	3,169	–
Unlisted debt securities	**2,931**	**201**	2,931	192
Total financial assets at fair value through profit or loss	**39,833**	**9,795**	39,833	10,382

12.2 Movements in assets at fair value through profit or loss

For the year ended 31 March 2020	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2019	**10,190**	**–**	**192**	**10,382**
Movement in net unrealised gains on revaluation of investments	**(596)**	**–**	**9**	**(587)**
Valuation at 31 March 2020	**9,594**	**–**	**201**	**9,795**
Book cost at 31 March 2020	**33,733**	**3,169**	**2,931**	**39,833**
Net unrealised losses at 31 March 2020	**(24,139)**	**(3,169)**	**(2,730)**	**(30,038)**
Valuation at 31 March 2020	**9,594**	**–**	**201**	**9,795**

For the year ended 31 March 2019	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Listed Debt £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2018	11,880	66	1,002	178	13,126
Disposal proceeds	–	(96)	(1,000)	–	(1,096)
Realised gains / (losses) on disposal	–	30	(1)	–	29
Movement in net unrealised (losses)/gains on revaluation of investments	(1,690)	–	(1)	14	(1,677)
Valuation at 31 March 2019	10,190	–	–	192	10,382
Book cost at 31 March 2019	33,733	3,169	–	2,931	39,833
Net unrealised losses at 31 March 2019	(23,543)	(3,169)	–	(2,739)	(29,451)
Valuation at 31 March 2019	10,190	–	–	192	10,382

12.3 Net losses on financial assets at fair value through profit or loss

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	**£'000**
Realised gain on disposal	**–**	29
Unrealised loss on revaluation	**(587)**	(1,677)
Unrealised loss on subsidiary loans	**–**	(34)
Total losses on financial assets at fair value	**(587)**	(1,682)

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

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 table on the next page analyses within the fair value hierarchy the company's financial assets and liabilities (by class) measured at fair value at 31 March 2020.

As at 31 March 2020

Financial assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial investments designated at fair value through profit or loss				
Unlisted equity securities and debt	**–**	**–**	**9,795**	**9,795**
Assets measured at fair value	**–**	**–**	**9,795**	**9,795**

As at 31 March 2019

Financial assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial investments designated at fair value through profit or loss				
Unlisted equity securities and debt	–	–	10,382	10,382
Assets measured at fair value	–	–	10,382	10,382

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 mitigate such taxes. The directors are of the view (concurred with by the Investment Advisor) 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.

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.

Notes to the Financial Statements continued

For the year ended 31 March 2020

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

12.4 Fair value of financial instruments (continued)

Some of the transactional activity is more than a year old or is in the process of being completed, and in all cases may not be representative of the ultimate realisable value, which may be significantly higher or lower than the current valuation. In a number of investments, significant milestones need to be achieved in order to unlock the realisable value of these investments.

The 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.

12.5 Fair Value Measurement

The below 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 2020 £'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.	**9,594**	Re-estimation of adjustment factors for transactional evidence identified in the year.	Transaction price negatively adjusted by up to 50% for marketability of investment nature of the fundraising and other risks.	A smaller adjustment for these factors would increase the fair value.
Adjusted net asset value for factors outlined in note 12.4.	**201**	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 50% 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 2020 Reflected in profit or loss	
	Favourable change £'000	Unfavourable change £'000
Discount applied	**4,623**	**(2,404)**

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 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), cyclical price destruction in bulk commodities, cost and availability of capital. Favourable assumptions include: global increased demand for base metals, early achievement of company development milestones, increased M&A in listed resource companies. The sensitivity has been calculated separately for each relevant investment and the aggregate totals presented above.

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 2020 £'000	31 March 2019 £'000
Opening balance at 1 April	**10,382**	12,058
Unrealised losses during the year (refer to note 12.2)	**(587)**	(1,676)
Assets as at 31 March	**9,795**	10,382

13. Loans and other receivables

	31 March 2020 £'000	31 March 2019 £'000
Prepayments	**20**	11

14. Cash and cash equivalents

	31 March 2020 £'000	31 March 2019 £'000
Cash and cash equivalents	**425**	756

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 2020 was 0.32 per cent. (2019: 0.28 per cent.). The company has no material interest bearing liabilities.

15. Trade and other payables

	31 March 2020 £'000	31 March 2019 £'000
Administration fee payable	**11**	12
Audit fee payable	**25**	25
Sundry creditors	**50**	59
	86	96

Notes to the Financial Statements continued

For the year ended 31 March 2020

16. Share Capital

Founder Shares	31 March 2020 £'000	31 March 2019 £'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 of the company's shares to trading on the Alternative Investment Market of the London Stock Exchange. 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. No dividend has been declared during the current year, as outlined in note 17.

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.

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 (2019: 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

As at 31 March 2020, 2,250,000 (2019: 2,250,000) nil par value shares were held in Treasury.

17. Dividends

17.1 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. No dividends were declared and paid during the year (2019: £ nil).

17.2 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 (2019: 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.

17. Dividends (continued)

17.2 Performance dividends (continued)

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 2020 (2019: £ nil).

18. Net asset value per share

	31 March 2020 £'000	31 March 2019 £'000
Net asset value	**10,154**	11,053
Ordinary shares in issue	**64,222**	64,222
Net asset value per ordinary share (pence per share)	**15.81**	17.21

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 (2019: 64,221,501) ordinary shares being the shares in issue at the year end.

19. 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 17.2.

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

On 2 September 2019, as part of the ongoing cost cutting exercise the agreement between the company and Investment Manager (St Peter Port Investment Management Limited) was terminated and an advisory agreement was entered into with St Peter Port Capital Services Limited. Graham Shore is a director of St Peter Port Capital Services 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, Investment Advisor, directors and broker are outlined in notes 5 to 8.

Financial support is provided to subsidiary companies, described in note 2.3, including the payment of operating expenses amounting to £20,018 (2019: £52,659) on behalf of Red Flat Nickel Corp and £2,744 (2019: £2,699) on behalf of SPPC Securities Holdings Limited. Red Flat Nickel Corp's operating expenses primarily related to the renewal of mining licences.

During the current and prior year the company made no loans to related parties. Refer to note 12.3 for unrealised losses recognised on write-downs of subsidiary loans in 2019.

Notes to the Financial Statements continued

For the year ended 31 March 2020

20. 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.

21. Financial risks

21.1 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.

21.2 Market risk

Investments

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

Investments in small unquoted companies

The company's investment portfolio comprises interests in unquoted private companies 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

Certain investments 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 2020**		**31 March 2019**	
	Fair Value	**% of Net Assets**	**Fair Value**	**% of Net Assets**
	£'000		**£'000**	
Unlisted Investments (including corporate debt)	**9,795**	**96.46**	10,382	93.93
	9,795	**96.46**	10,382	93.93

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.

21. Financial risks (continued)

21.3 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 2020	Weighted Average Interest Rate	Interest Bearing Less than 1 month £'000	Non-interest Bearing £'000	Total £'000
Assets				
Equity and other securities	**0.00%**	**–**	**9,795**	**9,795**
Floating interest rate cash at bank	**0.21%**	**425**	**–**	**425**
Other receivables and prepayments	**0.00%**	**–**	**20**	**20**
Total assets		**425**	**9,815**	**10,240**
Liabilities				
Trade and other payables	**0.00%**	**–**	**86**	**86**
		–	**9,729**	**10,154**
Total interest sensitivity gap		**425**		

As at 31 March 2019	Weighted Average Interest Rate	Interest Bearing Less than 1 month £'000	Non-interest Bearing £'000	Total £'000
Assets				
Equity and other securities	0.00%	–	10,382	10,382
Floating interest rate cash at bank	0.28%	756	–	756
Other receivables and prepayments	0.00%	–	11	11
Total assets		756	10,393	11,149
Liabilities				
Trade and other payables	0.00%	–	96	96
		–	10,297	11,053
Total interest sensitivity gap		756		

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

Notes to the Financial Statements continued

For the year ended 31 March 2020

21. Financial risks (continued)

21.4 Currency risk

The Board 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 2020		31 March 2019	
Currency	**Value**	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
US Dollar	**9,446**	**93.03**	10,033	90.77

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 Dollar. The company has not hedged these foreign currency equity and debt holdings as the Board 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.

21.5 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 Advisor, 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 Advisor manages the company's exposure to price risk by way of its rigorous process, as described above.

A 20 per cent. increase in the value of investments at year end would have increased the net assets attributable to shareholders by £ 1,959,000 (2019: £ 2,076,400). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

21. Financial risks (continued)

21.5 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 2020 % of Net Assets	31 March 2019 % of Net Assets
Equity investments:		
Unlisted equities	**94.48**	92.19
Listed equities	**–**	–
Debt instruments:		
Corporate debt	**1.98**	1.74
Listed loan notes	**–**	–
Total investments assets	**94.46**	93.93

21.6 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 2020

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

31 March 2019

	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	No stated maturity £'000
Accrued expenses	96	–	–	–

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

21.7 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 2020 £'000	31 March 2019 £'000
Investments in debt instruments	**201**	192
Cash and cash equivalents	**425**	756
Other assets	**20**	11
Total	**646**	959

Notes to the Financial Statements continued

For the year ended 31 March 2020

21. Financial risks (continued)

21.7 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 2020 % of Net Assets	31 March 2019 % of Net Assets
Red Flat Nickel Corp	**1.98**	1.74
Total investment assets	**1.98**	1.74

The S&P credit ratings of the company's banks range from BB- to A+.

21.8 Capital risk management

Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow the company to operate efficiently. Capital is managed by the company to ensure that is will be able to continue as a going concern.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell securities to reduce debt.

The directors manage capital by investing in unquoted companies which are close to a liquidity event.

Officers and Professional Advisers

St Peter Port Capital Limited
Registration Number: 46526

Directors
Lynn Bruce
Graham Barry Shore
Russel Andrew Peter Michel

Administrator and Secretary
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
Moore Stephens Audit and Assurance (Guernsey) Limited
PO Box 146
Town Mills South
La Rue du Pré
St Peter Port
Guernsey
GY1 3HZ

Principal Bankers
Lloyds Bank International Limited
11 – 12 Esplanade
St Helier
Jersey
JE2 3QA

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

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

+44 (0)1481 749360

www.stpeterportcapital.gg