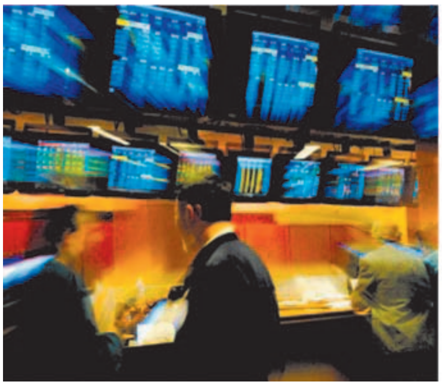
St Peter Port Capital Limited



ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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Highlights

- Investments in 12 companies* at year end valued at £16.5 million
- NAV of 29.56p per share at 31 March 2017, down 21 per cent. on the year and 20 per cent. since 30 September 2016
- £218,000 realised during the financial year
- At 31 March 2017, £66.2 million realised since inception
- £2.5 million in cash and a liquid, listed floating rate note as at 5 May 2017

* excluding companies entirely written down

Lynn Bruce, Chairman of St Peter Port, said:

"It continues to be a challenging environment for our portfolio companies, and most require significant funding to progress to the next stage of their development. Nevertheless, we believe that our portfolio of investments now offer potential for capital gain from the values at which they are currently being held. However the timing of any such realisation remains outside our control and we believe that any attempt to rush a realisation may be prejudicial to value."

iQur – Developing a novel vaccine platform

Chairman's Statement

Introduction

I report on the year ended 31 March 2017.

Background

Stronger commodity markets in the second half of the financial year created a better backdrop for the funding of our resource companies but do not give them any direct benefits, as they are pre-production.

We have made further write-downs to the holding value of a number of our portfolio companies, further details of which are disclosed below.

Realisation and Investments

During the financial year, St Peter Port Capital Limited (the "Company" or "St Peter Port") realised investments generating £218,000, disposing of the last of the publicly traded holdings. No further realisations have been made since the year end.

The Company made no new investments during the year.

Financial Results

The balance sheet shows investments (excluding the floating rate note) of £16.5 million, consisting of financial assets at fair value through profit or loss of £16.5 million. Net assets were £19.0 million, giving a net asset value of 29.56p per share. Net assets have decreased by 20 per cent. since the interim results as at 30 September 2016. The changes result primarily from write downs to valuations discussed in the Investment Manager's Report.

At the balance sheet date, the Company held £2.5 million in cash and a liquid, listed floating rate note. As at the close on 5 May 2017, the Company held £2.5 million in cash and a liquid, listed floating rate note.

Board Change

On 12 January 2017, Peter Griffin retired as a director of the board. Peter had been a director since 2007 and we would like to thank him for his valued contribution throughout. On the same day, the Company announced that Russel Michel joined the board as a non-executive director. Russel is chairman of Stenham Asset Management, Inc. and Stenham Management Services (CI) Limited and is a Chartered Accountant.

Dividends

It remains the Board's policy that, in respect of each future period of six months and subject to the requirements of Guernsey Law regarding solvency, it will pay out in cash 50 per cent. of the net gains from all realisations made. There were no net gains on realisations during the year. Nevertheless, the directors propose that a dividend of 0.75p per ordinary share in the capital of the Company ("Ordinary Shares") be paid in respect of the year to 31 March 2017. The dividend will be paid on 13 June 2017 to ordinary shareholders on the register as at 19 May 2017 (the "Record Date"). The corresponding ex-dividend date will be 18 May 2017.

Union Agriculture – Field harvest

Outlook

I have previously reported to you that the bulk of St Peter Port's value resided in its five most valuable holdings. During the period since the Company reported its interim results, there has been little material progress made by any of these. Unfortunately, one of them, Seven Energy, has recently announced that it is discussing a capital restructuring with its creditors and we have therefore decided to write off this position.

On 3 October 2016, St Peter Port announced that it was commencing a review of strategic options open to the Company to maximise value for shareholders, including a potential sale of the Company, individual holdings owned by the Company or collections of sector-related holdings (the "Strategic Review"). The Company initiated the Strategic Review under the framework or a "formal sale process" in accordance with Note 2 on Rule 2.6 of the City Code on Takeover and Mergers and as such the Company was placed in an offer period (the "Offer Period").

The Company remains in an Offer Period and is actively looking to sell its portfolio interests on an individual basis as well as pursuing discussions relating to the possible sale of the Company in its entirety in line with the Strategic Review. We believe that there is a risk that parties interested in acquiring assets or making an offer for the Company will be emboldened to make low bids the closer the Company comes to the end of its life.

The Company has therefore decided to offer shareholders two options: either continuing the life of the Company on a one year rolling mandate, which we believe will put the Company in the best position to realise capital gains from its portfolio (while having sufficient cash reserves to settle its liabilities and meet anticipated operating costs for at least the next twelve months), or to commence the twenty-four month liquidation process when the current five year extension ends on 17 June 2017. A circular will be issued to shareholders at the same time as published accounts are posted to shareholders, describing this proposal in more detail.

Lynn Bruce
Chairman
9 May 2017

Brazil Potash – Logistics facilities near Manaus

Investment Manager's Report

The portfolio of St Peter Port Capital Limited (the "Company" or St Peter Port") is diversified across a range of sectors. It holds investments in technology (3D TV and biotechnology), resources (oil and gas) and minerals (including copper, nickel, uranium and coal). It also has soft commodity companies, including a farmland owner in Uruguay, a timber plantation in Mozambique and a potash mine development in Brazil. The size of each holding as a percentage of each portfolio company's share capital is small and usually less than 2 per cent.

Nearly all of the portfolio companies have their main activity outside of the UK and a significant proportion were sourced from brokers whose main business is outside the UK. The Company has now disposed of all its listed holdings with realisable value.

The following table shows the breakdown by sector of the investments as at 31 March 2017:

Investments by Sector as at 31 March 2017

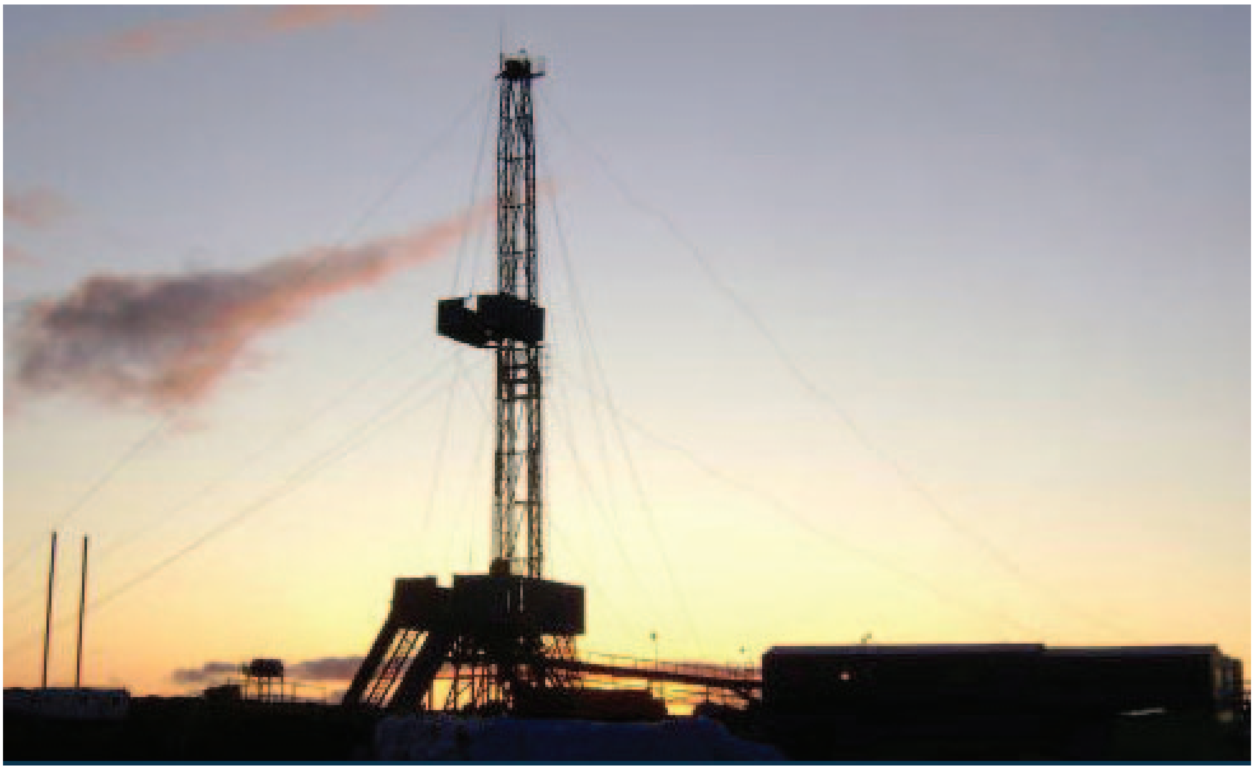
Sector	Number	Cost £m	Book Value £m	Percentage (of book value)
Mining	5	12.3	1.0	6.1
Ag. / Forestry	3	4.5	7.5	45.4
Oil and Gas	1	1.8	4.6	27.9
Technology	2	1.7	3.4	20.6
Other	1	1.2	0	0
Total	12	21.5	16.5	100.0

Investments

During the year ended 31 March 2017 the Company made no additional equity investments.

Realisations

During the year, the Company sold down the balance of its listed company positions (excluding the floating rate note), generating net proceeds of £218,000.



Drilling for oil – an important element in our portfolio

Portfolio – Detail

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

Company	Investment (initial terms)	Business
African Timber and Farming	£1.15 million for ordinary shares.	Timber plantations in Mozambique
Brazil Potash	US$2.5 million subscription for ordinary shares. Further US$1.5 million subscription for ordinary shares. US$937,000 to exercise warrants.	Potash exploration and development on licenses covering 22.5 million hectares in the Amazon Potash Basin.
Buried Hill	US$850,000 subscription for ordinary shares. Further US$2.7 million acquisition of ordinary shares.	Oil and gas exploration company focused on the Caspian Sea.
Celadon Mining	£3.7 million subscription for ordinary shares in two tranches. Further £660,000 purchased from a distressed seller.	A company which has acquired and permitted major coal assets in China. Now in the process of selling mine-ready projects.
Global Atomic	CDN$2 million subscription for ordinary shares.	Uranium exploration and development company which has discovered a high-grade uranium deposit in Niger.
iQur	£0.5 million subscription for ordinary shares. Further £51,000 in convertible loan notes. Further £140,000 for additional ordinary shares.	Medical research company that is developing a novel vaccine platform.
MLog (previously Manabi Minerals)	US$2 million for ordinary shares.	Brazilian iron ore company with road/rail and port developments. From November 2015, also support vessels to Oil and Gas industry.
Mediatainment	US$2 million subscription for ordinary shares.	Mediatainment is the holding company for an investment in Stream TV. Stream TV has developed a solution to provide 3D TV without glasses in very high (4K) resolution.
MinCore	CAN$2.34 million subscription for ordinary shares in two tranches.	A company with a large copper/molybdenum deposit in Mexico.
Nusantara Energy	£3.15 million subscription for shares and warrants, in several tranches.	Indonesian coal and infrastructure developer.
Red Flat Nickel	US$4.2 million investment in loan notes.	The Company has claims over two nickel laterite deposits in Oregon. The loan partly funded exploration on the two fully owned tenements. Following the loan reaching its term in 2011, the Company acquired the majority equity interest.
Union Agriculture	US$2 million subscription for ordinary shares. Further US$1 million subscription for ordinary shares	Uruguayan farming company which is now the largest owner of agricultural land in Uruguay.

Investment Manager's Report continued

Portfolio – Detail continued

St Peter Port also held securities in Rock Well Petroleum, Bio-thermal Technologies, Develica Asia Pacific, Continental Petroleum, Royal Coal, Puma Hotels, Dominion Minerals, TMO Renewables, First Iron, Gourmet Express, Mongolian Minerals, Pan 8 African Uranium, China Molybdenum, East Siberian Plc, Cuprum Resources, Caracara Silver, Astrakhan Oil, International Goldfields, Enhanced Oil, Union Minerals, Seven Energy and Kerogen Shale (formerly Jordan Energy and Mining Limited). These investments are carried at nil or negligible amounts.

Top Four Investments as at 31 March 2017

The following table lists SPPC's top four investments by value as at 31 March 2017 representing 90.6 per cent. by value of the portfolio. Where SPPC holds more than one instrument in a company, the holdings have been aggregated.

Company	Cost £ 000's	Valuation £ 000's	Gain/ (Loss)[1] £ 000's	Status
Brazil Potash Corp	2,336	5,874	3,538	Unquoted
Buried Hill Energy (Cyprus) Plc	1,749	4,634	2,885	Unquoted
Mediatainment	1,015	3,024	2,009	Unquoted
Union Agriculture	1,878	1,460	(418)	Unquoted
Total	6,978	14,992	8,014	

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

Other Developments

Brazil Potash

Brazil Potash ("BP") has obtained its Preliminary Licence and also completed its Bankable Feasibility Study. The company is now working towards obtaining the Installation Licence which will allow it to initiate construction of the mine. Although the Preliminary License was granted over a year ago, it has been placed on hold for six months to allow for further consultation with one local indigenous community.

The environment for potash development projects in general and this project in particular has not been favourable these last few years. This was due to the political and economic instability in Brazil coupled with the very low potash price, which hit a 10 year low during 2016. However, prices are now some 17 per cent. above last year's lows and the company believes that the political and economic situation in Brazil has stabilised significantly.

BP continues to seek working capital to allow it to work on and obtain the Installation License, and our understanding is that the current fund-raising round it is conducting will be priced at a premium per share to where St Peter Port holds its shares. We continue to believe that this project has tremendous potential but, as previously flagged, it will require an enormous amount of capital to build and it will likely take some time before BP can deliver a return to its shareholders.

Buried Hill

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

The project is fully funded by BH's co-venturer (an international oil major) and we maintain every confidence in the company's leadership and strong team. It is frustrating that issues beyond BH's control continue to inhibit progress but we believe that the project still has long term value and the potential for significant upside. The position is held by St Peter Port at the same value BH applies in relation to itself for the purpose of valuing option grants.

Mediatainment

St Peter Port owns 6 per cent. of the issued share capital of Mediatainment, Inc., a company which owns approximately 27 per cent. of Stream TV Networks, Inc. ("STV"). STV is the owner of a technology which powers 3D TV without glasses. STV's solution is to insert a proprietary printed circuit board mounting a programmed chip into the panels of TV and display screens made by a wide variety of manufacturers. Devices which could use the technology currently range in size from tablets and games machines to 65 inch screens.

Although STV appears to continue to impress the industry with its product, it has yet to secure sufficient funding to complete its progress to the mass manufacturing stage.

Union Agriculture

Union Agriculture ("UAG") is a diversified agribusiness firm that owns some 108,000 hectares of farmland in Uruguay. It also has trading and logistics operations through its subsidiary, Granosur Holding Limited, which owns 5 silo plants in Uruguay, a fleet of transportation vehicles and has a 50 per cent. interest in a further silo as well as a 37 per cent. interest in a Uruguayan rice producer, processor and exporter.

During the summer of 2015, UAG started to file documents in connection with a proposed flotation on the TSX Venture Exchange ("TSXV"). This came about after lobbying by a number of UAG's shareholders, including St Peter Port. The listing process was delayed pending the sale by UAG of land to reduce overall gearing in the company, which remains relatively high. Nevertheless, UAG did receive conditional consent for a listing on the TSXV earlier this year. Shortly afterwards, UAG asked shareholders to re-confirm whether or not they wanted the company to pursue this listing, noting that it would create significant additional expense for the company and could require the company to raise additional funds. The general meeting was held on 26 April 2017, and although St Peter Port voted in favour of the resolution to continue with the listing, it was in a minority and the resolution was voted down. All work in connection with the proposed listing on the TSXV will therefore cease and the company remain private for the foreseeable future.

Although revenues at UAG remain lower than budgeted since the implementation of the new business model, we believe that the company's valuation is largely underpinned by its land holdings (which are valued every year by UAG's external valuers) together with its ownership of its trading, logistics and rice operations. For the purposes of valuing its position in UAG, St Peter Port has taken UAG's calculation of its own net asset value (incorporating, amongst other things, the land valuation referred to above) and then applied a discount to this to reflect the illiquidity of the shareholding.

Global Atomic

Global Atomic ("GA") has a concession over a uranium deposit in Niger. Analysis to date indicates that the deposit is very high grade, however GA has faced considerable cash constraints over the last few years, as the massive fall off in the price of uranium has dented investor appetite for these types of project. This year has seen a brief rally in uranium prices (albeit this has largely faded) and management are in the process of conducting a reverse takeover with a listed company in Canada. They are hopeful of raising additional capital once this has been completed, in order to take the mine to the next stage of development. This is another project that will likely only return value to shareholders who are patient.

Red Flat Nickel

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

In the last days of the Obama administration, the Bureau of Land Management announced on 12 January 2017 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.

Notwithstanding the new, more mining friendly Trump administration, this is a major setback. Whilst we are advised that the order could be challenged on legal grounds, we do not believe that it is in the Company's interests to commit to significant further expenditure at this stage of its life cycle but we continue to explore possibilities to extract value from the holding. St Peter Port's interest in RFNC was substantially written down in 2015 and now reflects the Board's view of the mining claims RFNC owns.

iQur

iQur continues its search for funding to allow it to progress to Phase 1 clinical trials. Funding for life sciences companies at such an early stage remains elusive. iQur generates income from a diagnostic tool kit which the company's CEO, Professor William Rosenberg, helped create and commercialise. In addition, it has strong grant backing and has minimised its overhead. We are assisting iQur with its fundraising efforts. The company reported to us in April that its most recent vaccine tests in mice were good although they still fell short of proving iQur's thesis in one respect. Nevertheless, the scientific executive and non-executive within the company feel that there are significant grounds to doubt the limited negative aspects of these tests and have recommended that they be repeated.

Mincore

Mincore is in the process of trying to sell itself to a number of large local companies. St Peter Port holds this interest at a nominal value but should a sale be concluded may realise some value from this shareholding.

Reductions in Holding Value

Seven Energy

Seven Energy ("SE") is an integrated gas company operating in south east Nigeria, with upstream oil and gas interests in the region. We reported at the half year that the low price of oil, the continued closure of a vital oil terminal (due to security issues) and the devaluation of the local currency (Naira) were putting pressure on the company's liquidity. SE has subsequently tried (but failed) to raise

Investment Manager's Report continued

further limited funds from existing shareholders and has also reported that although it continues to deliver gas to power stations, it is not being paid in a timely manner for these gas deliveries. Although SE has managed to negotiate various interim "interest holidays" in respect of its loan obligations, SE announced on 10 April 2017 that it was speaking to its creditors regarding a significant capital reorganisation. Although the outcome of this proposed capital reorganisation is unclear at this stage, the board of St Peter Port has decided that it would be prudent in the circumstances to write down the value of the Company's holding in SE to zero.

Kerogen Shale

Having recently met the new management of Kerogen Shale (previously Jordan Energy and Mining Limited) St Peter Port has written down the value of this holding to zero. St Peter Port's view is that the most likely funder of this kind of a project is the World Bank, and our understanding is that the World Bank is not currently supportive of shale oil projects on environmental grounds. In the absence of this type of funding being available, we are not persuaded that management will be able to secure the capital investment required (the equity for a US$2 billion project). We will continue to monitor progress.

Union Minerals

St Peter Port has also written down to zero its holding in Union Minerals ("UM"). UM owns claims in relation to various mineral deposits in Uruguay. However, UM has now lost nearly all of its staff and our belief is that even if it does secure funding to develop a mine at a future date, this will be on enormously dilutive terms and St Peter Port will not be in a position to participate.

Mlog and Nusantara

The Company has also written down the value of its holdings in Mlog (formerly Manabi) and Nusantara. The former started life as an iron–ore mine development but, following the catastrophic fall in the price of iron–ore, sought to develop a port. However, in 2015, it effectively sold itself (by way of a business combination) to a company whose primary business was the chartering of offshore support vessels operating in the oil and gas industry. As part of this business combination, Manabi distributed part of its residual cash to its shareholders. St Peter Port has held its position in Mlog at the valuation at which the sale was completed, but has now discounted this by 75 per cent. to reflect general uncertainty notwithstanding recent investor communications that the charter business is gaining traction. Nusantara is an Indonesian coal and infrastructure developer, and St Peter Port has reduced the holding value of this position to reflect the increasing difficulty of coal projects to attract investor appetite.

Celadon

Celadon owns two coal projects in Inner Mongolia. Although management are committed to delivering a return to shareholders through the sale of these assets, this is proving extremely difficult. Management have guided shareholders as to what return they might expect, and St Peter Port has discounted this considerably.

Contributions to Changes in the Valuation of the Portfolio

During the year, currency movements (principally the weakening of sterling as against the US$) have had a positive effect on the value of the portfolio. They have contributed 7.64p to the NAV per share over the full year (as to a 5.47p increase during the first half and as to a 2.17p increase in the second half).

Activity and Prospects

Over the last few years, St Peter Port has significantly reduced the holding value of many of its investments. The portfolio's value is now made up of a core of four large investments which account for the significant majority of the portfolio's value. In addition, the Company has smaller investments in uranium, coal, copper and a biotech company which, it believes, may still have upside from current valuation levels. The Company continues to seek to realise its investments but acknowledges that timing will be key; each investment is at a pivotal stage and any attempt to sell down a position before the relevant pivot (in most cases a fund raise) will likely prejudice the price attainable. In order to protect the remaining value in its portfolio, the Company will therefore invite shareholders to consider extending the life of the Company on a rolling annual basis.

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

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

Board of Directors and Investment Advisers

Lynn Bruce
(aged 56), Director and Chairman

Lynn is a Chartered Accountant (Scotland) having trained at KPMG, London and has a BSc Hons in Business Mathematics and Accountancy from Dundee University. She was the CFO of an international wealth management group, Stenham Limited, for 11 years where she was also a member of both their Risk and Audit Committees. Prior to that she was the Financial Controller at AT&T Capital Europe.

Graham Barry Shore
(aged 61), Director

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

Peter Francis Griffin (resigned as Director on 12 January 2017)
(aged 58), Director

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

Russel Andrew Peter Michel
(aged 55), 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

Directors' responsibilities

The Directors have pleasure in submitting their Annual Report and the Audited Financial Statements for the year ended 31 March 2017 for St Peter Port Capital Limited (the ''Company'').

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

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

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, whose names are set out on page 11 in the Report of the Directors section of the Annual Report, confirms that to the best of their knowledge and belief that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

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

Status and activities

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

The Company was incorporated on 6 March 2007 and its securities began trading on the Alternative Investment Market of the London Stock Exchange on 16 April 2007 with a placing of 75,000,000 Ordinary Shares of nil par value each. In June 2012 Shareholders approved a resolution that the Company should continue as an investing company. The current five year extension ends on 17 June 2017. A shareholder vote in relation to continuing the life of the Company on a one year rolling mandate or commencement of an orderly winding-up is due to take place as outlined in the going concern section of this report.

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

Results and dividends

The results attributable to the Shareholders for the year and the transfer to reserves are shown in the Statement of Comprehensive Income. During the year ended 31 March 2016, no dividend was paid. The Directors propose that a dividend of 0.75p per Ordinary Share in the capital of the Company be paid in respect of the year ended 31 March 2017 (£481,661).

As at 31 March 2017, 2,250,000 (2016: 2,250,000) shares were held in Treasury. During the year ended 31 March 2017 no shares were repurchased (2016: no shares were repurchased).

Going concern

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

The Directors are intending to issue a circular alongside the published annual report and audited financial statements, including a notice convening the annual general meeting of the Company ("the AGM") scheduled for June 2017. The Shareholders will be asked to vote in relation to continuing the life of the Company on a one year rolling mandate or commencement of an orderly winding-up. If the Shareholders vote in favour of an orderly winding-up, the Company will be placed into a liquidation process which is expected to take up to twenty-four months to conclude. This creates material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Directors and their interests

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

Lynn Bruce (Director and Chairman)

Graham Barry Shore (Director)

Peter Francis Griffin (Director) – resigned 12 January 2017

Russel Michel (Director) – appointed 12 January 2017

At 31 March 2017 the Directors' interests in the Ordinary Shares of the Company were as follows:

		2017 Ordinary shares	2016 Ordinary shares
Lynn Bruce (Director and Chairman)		**nil**	nil
Graham Barry Shore (Director)		**nil**	nil
Peter Francis Griffin (Director) – resigned 12 January 2017		**nil**	nil
Russel Andrew Peter Michel (Director) – appointed 12 January 2017		**75,000**	nil
Shore Capital Group Investments Limited	1	**6,350,000**	**5,600,000**

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

There have been no changes in the interests of the Directors from 31 March 2017 to the date of signing these financial statements, apart from that noted in 1. above.

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:

	2017 £	2016 £
Lynn Bruce (Chairman)	**15,000**	15,000
Peter Francis Griffin (Director) – resigned 12 January 2017	**11,743**	15,000
Graham Barry Shore (Director)	**nil**	nil
Russel Andrew Peter Michel (Director) – appointed 12 January 2017	**3,322**	nil

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

Significant shareholdings

At 31 March 2017 the following interests in 3% or more of the issued Ordinary Shares (excluding Treasury shares) had been notified to the Company:

		Number of Ordinary shares	Percentage of share capital
Pershing Nominees Limited (SHCLT) ACCT	1	**14,388,370**	22.40%
HSBC Global Custody Nominee (UK) Limited		**6,500,000**	10.12%
Nortrust Nominees Limited (GSYA) ACCT		**6,250,000**	9.73%
Redmayne Nominees Limited		**4,315,000**	6.72%
The Bank of New York Nominees Limited		**3,558,500**	5.54%
Rock Nominees Limited (ISA) ACCT		**2,743,300**	4.27%
Rock Nominees Limited (CSHNET) ACCT		**2,267,225**	3.53%

1. Includes 14,378,370 (2016: 13,838,370) Ordinary Shares held by clients of Shore Capital Limited and Shore Capital Stockbrokers Limited, including 6,350,000 shares (2016: 5,600,000) in respect of Shore Capital Group Investments Limited.

Independent Auditors

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

APPROVED BY THE BOARD OF DIRECTORS

L. Bruce
Chairman

Date: 9 May 2017

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

We have audited the financial statements of St Peter Port Capital Limited (the ''Company'') for the year ended 31 March 2017 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related Notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the IASB; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Emphasis of matter – valuation of unquoted investments

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made by the Directors in Note 12 to the financial statements concerning the fair valuation of unquoted investments. The Directors are faced with significant inherent uncertainty in the determination of the fair values of these investments as at the year end. In addition, the future decision taken by the Shareholders referred to in note 2(b) to the financial statements will impact the investment disposal strategy pursued by the Company. The amounts ultimately realised on the disposal of these investments may be materially different to the fair value estimates reflected in the financial statements and it is not possible to quantify the effect of these uncertainties on the financial statements.

Emphasis of matter – financial statements prepared on a going concern basis

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures in Note 2(b) to the financial statements, concerning the Company's ability to continue as a going concern. The results of the Shareholder vote scheduled to take place in June 2017 in relation to continuing the life of the Company are not yet known and therefore this indicates the existence of a material uncertainty which may give rise to significant doubt over the Company's ability to continue as a going concern. The financial statements do not include any adjustment that would result if the Company was unable to continue as a going concern.

Matters on which we are required to report by exception

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

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

Deloitte LLP
Chartered Accountants
St Peter Port, Guernsey
Date: 10 May 2017

Statement of Financial Position

As at 31 March 2017

	Notes	As at 31 March 2017 £'000	As at 31 March 2016 £'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	12	**17,482**	20,638
Loans and other receivables	13	**111**	301
Cash and cash equivalents	14	**1,488**	3,215
Total assets		**19,081**	24,154
Liabilities			
Current liabilities			
Trade and other payables	15	**100**	86
Total liabilities		**100**	86
Net assets		**18,981**	24,068
Equity			
Capital and reserves attributable to equity holders of the Company			
Special reserve	17	**66,361**	66,361
Revenue reserve		**(47,380)**	(42,293)
Total Equity		**18,981**	24,068
Net asset value per Ordinary Share (pence per share)	19	**29.56**	37.48

Approved by the Board of Directors on 9 May 2017

L. Bruce
Chairman

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

Statement of Comprehensive Income

For the year ended 31 March 2017

		Year ended 31 March 2017	Year ended 31 March 2016
Income	**Notes**	**£'000**	**£'000**
Net losses on financial assets at fair value through profit or loss	12(c)	**(4,076)**	(12,313)
Gains/(losses) on foreign exchange		**6**	(1)
Interest income	4	**4**	15
Other income	4	**1**	–
Net investment loss		**(4,065)**	(12,299)
Administrative expenses	2(e)	**(1,022)**	(1,422)
Net loss from operations		**(5,087)**	(13,721)
Loss for the year attributable to shareholders of the Company		**(5,087)**	(13,721)
Basic and diluted loss per Ordinary Share (pence)	11	**(7.92)**	(21.37)

The Company does not have any income or expenses that are not included in the loss for the year, and therefore ''the loss for the year attributable to shareholders of the Company'' is also the ''Total Comprehensive Deficit for the year'', as defined by IAS1 (revised).

All items in the above statement derive from continuing operations.

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

Statement of Changes in Equity

For the year ended 31 March 2017

	Notes	Special Reserve £'000	Revenue Reserve £'000	Total £'000
Opening balance at 1 April 2016		**66,361**	**(42,293)**	**24,068**
Loss for the year		**–**	**(5,087)**	**(5,087)**
Balance at 31 March 2017		**66,361**	**(47,380)**	**18,981**
For the year ended 31 March 2016				
Opening balance at 1 April 2015		66,361	(28,572)	37,789
Loss for the year		–	(13,721)	(13,721)
Balance at 31 March 2016		66,361	(42,293)	24,068
Notes	16 & 17			

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

Statement of Cash Flows

For the year ended 31 March 2017

		Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities	**Notes**	**£'000**	**£'000**
Interest and investment income received		**6**	10
Operating expenses paid		**(1,047)**	(1,456)
Net cash used in operating activities		**(1,041)**	(1,446)
Cash flows from investing activities			
Sale of investments		**218**	309
Purchase of investments		**(1,003)**	–
Cash (outflow)/inflow from investing activities		**(785)**	309
Cash flows from financing activities			
Loans advanced to subsidiaries		**(12)**	(26)
Repayment of subsidiary loans		**105**	–
Cash inflow/(outflow) from financing activities		**93**	(26)
Cash outflow for the year		**(1,733)**	(1,163)
Gains/(losses) on foreign exchange		**6**	(1)
Opening cash and cash equivalents		**3,215**	4,379
Closing cash and cash equivalents	14	**1,488**	3,215

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

Notes to the Financial Statements

For the year ended 31 March 2017

1. General information – investing strategy

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

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

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

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

The universe for investment has principally comprised companies across a broad range of sectors and geography expecting to achieve a liquidity event in a reasonable period after the Company's investment. However, as a result of economic conditions, it has also included companies which were already publicly quoted but where the equity value has been heavily eroded by the prevailing market malaise.

The address of the registered office is shown on page 39. The Company's website is www.stpeterportcapital.gg.

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

2. Summary of Significant Accounting Policies

This financial information for the year ended 31 March 2017 has been prepared in accordance with International Financial Reporting Standards (''IFRS''). IFRS includes standards and interpretations approved by the International Accounting Standards Board, including International Accounting Standards (''IAS'') and interpretations issued by the International Financial Reporting Interpretations Committee who replaced the Standards Interpretation Committee.

(a) 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 2(g).

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

(i) New standards and amendments mandatory for years ended 31 March 2017

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 2015.

Notes to the Financial Statements continued

For the year ended 31 March 2017

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

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

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

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

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

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

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

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

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

(b) 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.

The Directors are intending to issue a circular alongside the published annual report and audited financial statements, including a notice convening the annual general meeting of the Company ("the AGM") scheduled for June 2017. The Shareholders will be asked to vote in relation to continuing the life of the Company on a one year rolling mandate or commencement of an orderly winding-up. If the Shareholders vote in favour of an orderly winding-up, the Company will be placed into a liquidation process which is expected to take up to twenty-four months to conclude. This creates material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

(c) Subsidiaries

The Company holds 100% ownership of St Peter Port Capital (RFN) Limited, 100% ownership of SPPC Securities Holdings Limited, 100% ownership of Cerro Chorcha Limited and 80% of the ordinary share capital in Red Flat Nickel Corp. (an Investee Company). Financial support is provided to these subsidiary companies, including payment of operating expenses for Red Flat Nickel Corp. of £37,039 during the year ended 31 March 2017, (2016: £117,290).

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

2. Summary of Significant Accounting Policies (continued)

(c) Subsidiaries (continued)

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

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

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

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

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

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

(d) 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.

(e) Running costs and expenses

The Company will bear all fees and out of pocket expenses properly incurred by the Investment Manager which for the years ended 31 March 2016 and 2017 was St Peter Port Investment Management Limited, the Administrator which for the years ended 31 March 2016 and 2017 was Intertrust Fund Services (Guernsey) Limited, and the Registrar which for the years ended 31 March 2016 and 2017 was Capita Registrars (Guernsey) Limited. Expenses borne on behalf of the Company are recharged to the Company on a quarterly basis. In addition, the Company will meet all of its own costs and expenses, including aborted transaction fees, the remuneration of those Directors for whom fees are payable and their expenses and the costs of all employees, advisers and consultants acting in the performance of the Company's business, commissions, banking fees, legal expenses, insurance costs, regulatory fees, acquisition and disposal fees, auditors' fees, listing costs and the costs of distribution of reports and accounts and other documentation to Shareholders. The Administrative expenses during the year were as follows:

Administration expenses

	31 March 2017 £'000	31 March 2016 £'000
Administration fees	**70**	70
Audit fees	**57**	57
Investment Management fees	**708**	970
Legal and professional fees	**121**	206
Directors and Consultancy fees	**30**	90
Insurance	**9**	9
Sundry expenses	**27**	20
	1,022	1,422

Notes to the Financial Statements continued

For the year ended 31 March 2017

2. Summary of Significant Accounting Policies (continued)

(f) Segmental reporting

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

The Company mainly operates in the following sectors:

Financial assets	31 March 2017 £'000	%	31 March 2016 £'000	%
Oil & Gas	**4,634**	**26.51**	6,749	32.70
Mining	**978**	**5.59**	2,727	13.22
Technology	**3,372**	**19.29**	3,253	15.76
Agriculture / Forestry	**7,508**	**42.95**	7,890	38.23
Other	**990**	**5.66**	19	0.09
	17,482		20,638	

And in companies with the following countries of domicile.

Financial assets	31 March 2017 £'000	%	31 March 2016 £'000	%
Australia	**–**	**–**	2	0.01
Canada	**5,920**	**33.86**	5,192	25.16
Cyprus	**4,634**	**26.51**	4,018	19.47
United Kingdom and Ireland	**1,843**	**10.54**	5,733	27.78
United States of America	**3,224**	**18.44**	2,795	13.54
Uruguay	**1,460**	**8.36**	2,422	11.74
Niger	**401**	**2.29**	476	2.31
	17,482		20,638	

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

(g) Valuation of investments

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

(g) Valuation of investments (continued)

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

(h) Taxation

The Company is exempt from taxation under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is liable to an annual fee of £1,200. Subsidiaries are subject to tax in their respective jurisdictions.

(i) Foreign currency translation

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

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

(j) Financial liability and equity

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

(k) Financial assets

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

(l) Trade and other payables

Trade payables are not interest bearing and are stated at their cost, which was materially equal to fair value as at 31 March 2017 and 2016 respectively.

(m) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses, which was materially equal to fair value as at 31 March 2017 and 2016 respectively.

(n) Cash and cash equivalents

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

(o) Loans

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

Notes to the Financial Statements continued

For the year ended 31 March 2017

3. Critical Accounting Estimates and Judgement

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

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

4. Interest and Other Income

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Bank and broker interest	**4**	15
Total interest received	**4**	15
Investment income	**1**	–
Total investment income	**1**	–

5. Administration Fees

Under the Administration Agreement the Administrator is entitled to receive an annual administration fee at a rate as may be agreed from time to time between the Company and the Administrator. The administration fee is £50,000 per annum for the performance of the administration services. There is an additional fee for the provision of any Directors to the Board of the Company and for the production of annual and interim financial accounts. The Administrator will also be entitled to reimbursement for its reasonable expenses in providing the administration services. Total administration fees for the year ended 31 March 2017 amounted to £70,000 (2016: £70,000) with £12,500 (2016: £16,492) outstanding at the year end.

6. Management Fees

Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee of 2 per cent per annum (or 1 per cent until 50 percent of the net placing proceeds are invested in portfolio companies) of Net Asset Value which shall accrue on the first day of each quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year and all reasonably and properly incurred expenses of the Investment Manager with respect to Company business. The Company's investment into pre-IPO companies passed the hurdle at which management fees became payable at 2 per cent per annum on 18 October 2007. Management fees for the year to 31 March 2017 amounted to £479,245 (2016: £665,720) with £2,686 receivable (2016: £1,555 payable) at the year end. Reimbursements to the Investment Manager for the year to 31 March 2017 amounted to £228,654 (2016: £304,449) with £5,580 receivable at the year end (2016: £21,276 payable).

The Investment Manager is owned 50% by Shore Capital Group Limited. Graham Shore is a shareholder of Shore Capital Group Limited.

7. Directors' and Consultancy Fees

Under their letters of appointment, Ms Bruce, Mr Griffin and Mr Michel are paid a remuneration of £15,000 per annum. Mr Griffin resigned on 12 January 2017 and Mr Michel was appointed on 12 January 2017. Both have received their Directors fees pro-rated for the period in which they acted as Directors. Mr Shore has waived his entitlement to a Directors fee but is able to recover reasonable expenses. Total Directors' fees for the year to 31 March 2017 amounted to £30,065 (2016: £30,000) with £3,815 outstanding at the year end (2016: £nil). Total consultancy fees for the year amounted to £nil (2016: £59,992) with £nil outstanding at the year end (2016: £4,992).

8. Broker Fees

Under the Broker Agreement between the Company, Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited, the Company pays an annual retainer of £30,000 plus VAT together with the reasonable expenses plus VAT of Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited in connection with the Broker Agreement. Total broker fees for the year to 31 March 2017 amounted to £30,000 (2016: £30,033) with £15,000 (2016: £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 2017 amounted to £30,000 (2016: £30,225) with £nil (2016: £nil) prepaid at the year end.

10. Audit Fees

Audit fees for the year to 31 March 2017 amounted to £57,000 (2016: £56,500) with £57,000 (2016: £56,500) outstanding at the year end. There were no non-audit services provided by the Company's auditor in the year ended 31 March 2017 or 2016.

11. Loss Per Ordinary Share

The calculation of basic loss per Ordinary Share is based on the net loss from continuing operations for the year of £5,087,000 (2016: £13,721,000 net loss) and on 64,221,501 (2016: 64,221,501) shares being the weighted average number of shares in issue during the year. There is no difference between basic earnings per share and diluted earnings per share.

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

(a) Designated at fair value through profit or loss

	Historic cost at 31 March 2017	Market Value at 31 March 2017	Historic cost at 31 March 2016	Market Value at 31 March 2016
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Listed equity securities	**971**	**–**	3,433	247
Unlisted equity securities	**37,045**	**16,292**	37,045	19,674
Listed debt securities	**1,003**	**990**	–	–
Unlisted debt securities	**3,006**	**200**	3,006	717
Total financial assets at fair value through profit or loss	**42,025**	**17,482**	43,484	20,638
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	**–**	**–**	–	–
	–	**–**	–	–

Notes to the Financial Statements continued

For the year ended 31 March 2017

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

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

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

For the year ended 31 March 2016	Unlisted Equity Securities £'000	Listed Equity Securities £'000	Listed Debt £'000	Unlisted Debt £'000	Total £'000
Valuation at 31 March 2015	29,115	944	–	2,060	32,119
Disposal proceeds	(765)	(309)	–	–	(1,074)
Realised losses on disposals	(471)	(4,028)	–	(727)	(5,226)
Movement in net unrealised (losses)/gains on revaluation of investments	(8,205)	3,640	–	(616)	(5,181)
Valuation at 31 March 2016	19,674	247	–	717	20,638
Book cost at 31 March 2016	37,045	3,433	–	3,006	43,484
Net unrealised losses at 31 March 2016	(17,371)	(3,186)	–	(2,289)	(22,846)
Valuation at 31 March 2016	19,674	247	–	717	20,638

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

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Realised loss on disposal	**(2,244)**	(5,226)
Unrealised loss on revaluation	**(1,697)**	(5,181)
Unrealised loss on subsidiary loans	**(135)**	(1,906)
Total losses on financial assets at fair value	**(4,076)**	(12,313)

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

(d) Fair value of financial instruments

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

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

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

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

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 31 March 2017.

As at 31 March 2017

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

As at 31 March 2016

Financial assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments designated at fair value through profit or loss				
Listed equity securities	247	–	–	247
Unlisted equity securities and debit	–	–	20,391	20,391
Assets measured at fair value	247	–	20,391	20,638

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

The fair valuation of any level 3 investment requires the exercise of professional skill and judgement and naturally the fair values derived will have an element of estimation uncertainty as well as a likely range of potential valuation outcomes. The Directors have not explicitly factored in any potential tax which may crystallise on disposal of the investments as it is expected that sales would be structured in such a way as to avoid such taxes. The Directors are of the view (concurred with by the Investment Manager) that there are specific unquoted investments which present particular valuation challenges due to their individual stages of development and underlying circumstances and therefore there is inherently more estimation and judgement required in determining the fair values. Note 2(g) 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 2017

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

(d) Fair value of financial instruments (continued)

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

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

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.

(e) Fair Value Measurement

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

Valuation technique and key inputs	Fair Value £'000	Fair Value £'000	Reason for any changes in valuation techniques from prior year	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	At 31 March 2017	At 31 March 2016			
Market comparable transaction based on recent fundraising activity, adjusted for factors outlined in Note 12(d).	**9,324**	16,292	None.	Transaction price negatively adjusted by a range of 0-72% for marketability of investment, nature of the fundraising and other risks.	A smaller adjustment for these factors would increase the fair value.
Discounted cashflow or market comparable transaction based on in-situ valuation using confirmed resources and current long-term commodity price estimates; discounted for political risk, funding risk, and project stage.	**5,265**	1,240	In-situ valuation based on confirmed resources and current long-term commodity price estimates; discounted for political risk, funding risk, and project stage.	Long-term commodity prices are discounted by a range of 80.0-99.9%, to account for risks.	Higher commodity prices and increased resource size mean higher fair value. Increases in resource confidence reduces the applied discount (and increases fair value.
Adjusted net asset value for factors noutlined in Note 12 (d)	**1,903**	2,859	Third party valuations. NAV of land and mineral rights and other underlying assets.	Net asset value negatively adjusted by a range of 25-86% for marketability of investment and other risks.	A smaller adjustment for these factors would increase the fair value.

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

(e) Fair Value Measurement (continued)

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

	At 31 March 2017 Reflected in profit or loss	
	Favourable change £'000	**Unfavourable change £'000**
Discount applied	**9,427**	**(4,730)**
In situ commodity prices	**4,588**	**(2,168)**

The analysis above has been prepared to reflect the impact of applying the Director's 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 40% adjustment or decreasing this by up to 40%. It also demonstrates the impact of up to 10% higher or lower discounts to resource values in the valuation of investments prepared on an in-situ basis and reflects the estimated impact of unfavourable or favourable alternative assumptions that the Directors consider to be reasonably possible. The unfavourable assumptions include: election outcomes (i.e. political risk) destroying value completely, cyclical price destruction in bulk commodities, high oil prices driving extraction costs outside the economic range. Favourable assumptions include: global increased demand for base metals, early achievement of company development milestones, increased M&A in listed resource companies. The estimated quantities of available resource are deemed to be fixed for the purposes of this analysis. The sensitivity has been calculated separately for each relevant investment and the aggregate totals presented above.

The undiscounted valuations are based on longer term commodity price estimates for in-situ resources as follows:

Commodity	**2017**
Brent Oil ((US$ / bbl)	45
Uranium (US$ / lb)	22
Copper (US$ / lb)	2.60
Nickel (US$ / lb)	3.83

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

(f) Transfers between Level 1 and 3

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

	Transfer from Level 3 to Level 1 Year ended 31 March 2017 £'000	**Transfer from Level 3 to Level 1 Year ended 31 March 2016 £'000**
Financial assets		
Equity securities	–	–

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

(g) Level 3 reconciliation

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

Assets	**31 March 2017 £'000**	**31 March 2016 £'000**
Opening balance at 1 April	**20,391**	31,175
Unrealised losses during the year (refer to note 12(b))	**(3,899)**	(8,821)
Realised losses during the year (refer to Note 12(b))	–	(1,198)
Disposals*	–	(765)
Assets as at 31 March	**16,492**	20,391

* For the year ended 31 March 2016, the level 3 disposal relates to the Company's holding of Manabi Minerals transferred to subsidiary entity, SPPC Securities Holdings Limited. Following the write down in value of this investment, the movement in unrealised loss is recognised in subsidiary loans.

Notes to the Financial Statements continued

For the year ended 31 March 2017

13. Loans and other Receivables

	31 March 2017 £'000	31 March 2016 £'000
Receivable from Investment Manager	**58**	–
Receivable from subsidiary companies	**45**	271
Other receivables	**1**	24
Prepayments	**7**	6
	111	301

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

14. Cash and Cash Equivalents

	31 March 2017 £'000	31 March 2016 £'000
	1,488	3,215

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 2017 was 0.17% (2016: 0.39%). The Company has no material interest bearing liabilities.

15. Trade and other Payables

	31 March 2017 £'000	31 March 2016 £'000
Administration fee payable	**13**	16
Audit fee payable	**57**	57
Sundry creditors	**30**	13
	100	86

16. Share Capital

Founder Shares	31 March 2017 £'000	31 March 2016 £'000
10,000 Founder Shares of £0.01 each authorised issued and fully paid	**–**	–

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

On inception of the Company on 6 March 2007, 75,000,000 shares of nil par value were issued to investors, with cash proceeds received of £75,000,000. These proceeds, net of transaction costs, were credited to the Share Premium Account. The Company applied to The Royal Court on 4 April 2007 for an order confirming the transfer of the Company's Share Capital and Share Premium Accounts to a distributable reserve. The special reserve was therefore established, which may be used or distributed in any manner as approved by the Company, including the purchase of the Company's own Ordinary Shares and payment of dividends.

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

16. Share Capital (continued)

Ordinary Shares

There are an unlimited number of Ordinary Shares of nil par value authorised. At the end of the reporting period 64,221,501 (2016: 64,221,501) have been issued and fully paid, not including the Treasury Shares as detailed below. The Ordinary Shares do not carry any right to fixed income.

Treasury shares

The Company had 2,250,000 (2016: 2,250,000) Ordinary Shares held in Treasury at 31 March 2017.

17. Share Premium and Special Reserve

	31 March 2017 £'000	31 March 2016 £'000
Share Premium	**–**	–
Special reserve		
Opening balance	**66,361**	66,361
Ordinary shares repurchased	**–**	–
Closing balance	**66,361**	66,361

As at 31 March 2017, 2,250,000 (2016: 2,250,000) shares were held in Treasury. During the year ended 31 March 2017 no shares were repurchased (2016: no shares were repurchased).

18. Dividends

(a) Ordinary Dividends

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

(b) Performance Dividends

A performance dividend is only payable provided that the condition below is satisfied. If this condition is satisfied, the Company may declare and pay a performance dividend to Founder Shareholders whenever it makes, declares or pays any dividend or other distribution to holders of Ordinary Shares. There are 10,000 Founder Shares in issue and 5,000 of these shares are held by Shore Capital Limited (2016: 5,000 shares).

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

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

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

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

Notes to the Financial Statements continued

For the year ended 31 March 2017

18. Dividends (continued)

(b) Performance Dividends (continued)

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

No performance dividend arising under the terms noted above has been paid or is payable in respect of the year ended 31 March 2017 (2016: £nil).

19. Net Asset Value per Share

	31 March 2017 £'000	31 March 2016 £'000
Net Asset Value	**18,981**	24,068
Ordinary Shares in issue	**64,222**	64,222
Net Asset Value per Ordinary Share (pence per share)	**29.56**	37.48

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 (2016: 64,221,501) Ordinary Shares being the shares in issue at the year end.

20. Related Party Transactions

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

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

Graham Shore and Lynn Bruce are Directors of the Investment Manager, St Peter Port Investment Management Limited. Peter Griffin was also a Director of the Investment Manager up until his resignation on 9 February 2017. Peter Griffin is also a Director of the Administrator, Intertrust Fund Services (Guernsey) Limited.

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

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

Expenses incurred by the Investment Manager, wholly and exclusively for the performance of its services provided to the Company, are recharged to the Company under an expenses recharge agreement. Reimbursements to the Investment Manager for the year to 31 March 2017 amounted to £228,654 (2016: £304,449) with £5,580 receivable at the year end (2016: £21,276 payable).

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

During the year the Company made loans of £2,312 to St Peter Port Capital (RFN) Limited, £11,773 to SPPC Securities Holdings Limited and £2,487 to Cerro Chorcha Limited, of which included prepayments of £1,063 each for St Peter Port Capital (RFN) Limited and Cerro Chorcha Limited and an accrual of £6,500 for SPPC Securities Holdings Limited. Additionally, expenses totalling £37,039 were paid on behalf of Red Flat Nickel Corp.

21. Subsequent Events

The Directors propose that a dividend of 0.75p per ordinary share in the capital of the Company ("Ordinary Shares") be paid in respect of the year to 31 March 2017 (£481,661). The dividend will be paid on 13 June 2017 to Ordinary Shareholders on the register as at 19 May 2017 (the "Record Date"). The corresponding ex-dividend date will be 18 May 2017.

22. Financial Risks

(a) Strategy in using financial instruments

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

(b) Market risk

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

Investments

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

Investments in small unquoted companies

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

Concentration risk

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

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

	31 March 2017		31 March 2016	
	Fair Value	**% of Net Assets**	**Fair Value**	**% of Net Assets**
	£'000		**£'000**	
Unlisted Investments (including corporate debt)	**16,492**	**86.89**	20,391	84.72
Listed Investments – Eurobonds	**990**	**5.22**	–	–
Listed Investments – Equity	**–**	**–**	247	1.03
	17,482	**92.11**	20,638	85.75

The Company's market risk is affected by three main components: changes in market prices for those listed entities, interest rates and foreign currency movements. Interest rate and foreign exchange movements are covered in notes below. If the market value of the listed Eurobond investment at year end had increased/(decreased) by 10% with all other variables held constant, this would have impacted the assets attributable to Shareholders of Ordinary Shares by approximately £99,000 (2016: £nil).

10% is the sensitivity rate used when reporting market risk internally to key management personnel and represents management's assessment of a reasonably possible change in market risk.

Notes to the Financial Statements continued

For the year ended 31 March 2017

22. Financial Risks (continued)

(c) Interest rate risk

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

As at 31 March 2017	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Equity and other securities	**0.00%**	**–**	**16,492**	**16,492**
Floating rate Eurobond	**0.87%**	**990**	**–**	**990**
Floating interest rate cash at bank	**0.17%**	**1,488**	**–**	**1,488**
Other receivables and prepayments	**0.00%**	**–**	**111**	**111**
Total assets		**2,478**	**16,603**	**19,081**
Liabilities				
Trade and other payables	**0.00%**	**–**	**100**	**100**
		2,478	**16,503**	**18,981**
Total interest sensitivity gap		**2,478**		

As at 31 March 2016	Weighted Average Interest Rate	Interest bearing Less than 1 month £'000	Non-interest bearing £'000	Total £'000
Assets				
Equity and other securities	0.00%	–	20,638	20,638
Floating interest rate cash at bank	0.39%	3,215	–	3,215
Other receivables and prepayments	0.00%	–	301	301
Total assets		3,215	20,939	24,154
Liabilities				
Trade and other payables	0.00%	–	86	86
		3,215	20,853	24,068
Total interest sensitivity gap		3,215		

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

22. Financial Risks (continued)

(d) Currency risk

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

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

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

	31 March 2017		31 March 2016	
Currency	**Value**	**% of Net Assets**	**Value**	**% of Net Assets**
	£'000		**£'000**	
Australian Dollar	**–**	**–**	2	0.01
Canadian Dollar	**447**	**2.35**	576	2.39
US Dollar	**15,241**	**80.30**	17,214	71.52

At year end, had the exchange rate between the currencies above and Pounds Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of Ordinary Shares would amount to approximately £44,743 (2016: £57,633) in respect of Canadian Dollars and £1,524,601 (2016: £1,721,429) for US Dollars.

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

(e) Price risk

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

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

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

A 20% increase in the value of investments at year end would have increased the net assets attributable to Shareholders by £3,505,715 (2016: £4,166,174). An equal change in the opposite direction would have decreased the net assets attributable to Shareholders by an equal but opposite amount.

Notes to the Financial Statements continued

For the year ended 31 March 2017

22. Financial Risks (continued)

(e) Price risk (continued)

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

Investment assets	31 March 2017 % of Net Assets	31 March 2016 % of Net Assets
Equity investments:		
Unlisted equities	**85.84**	81.74
Listed equities	**–**	1.03
Debt instruments:		
Corporate debt	**1.05**	2.98
Listed loan notes	**5.22**	–
Total investments assets	**92.11**	85.75

(f) Liquidity risk

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

31 March 2017

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

31 March 2016

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

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

(g) Credit risk

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

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

	31 March 2017 £'000	31 March 2016 £'000
Investments in debt instruments	**1,190**	717
Cash and cash equivalents	**1,488**	3,215
Other assets	**111**	301
Total	**2,789**	4,233

22. Financial Risks (continued)

(g) Credit risk (continued)

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

The ability of the Company to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Company. The risks associated with counterparties may adversely affect the Company's investments, business, financial condition and prospects and the market price of the shares, and may lead to a total loss of the Shareholders investment. Apart from cash at bank and broker, 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 2017 % of Net Assets	31 March 2016 % of Net Assets
Oil & Gas	–	2.26
Mining	**1.05**	0.72
Total	**1.05**	2.98

Out of the totals above, 1.05% (2016: 0.72%) relates to a loan to Red Flat Nickel Corp.

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

St Peter Port Capital Limited
Notice of Annual General Meeting

PO Box 119
Martello Court
Admiral Park
St Peter Port
Guernsey

24 May 2017

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ST PETER PORT CAPITAL LIMITED WILL BE HELD AT MARTELLO COURT, ADMIRAL PARK, ST PETER PORT, GUERNSEY ON 21st JUNE 2017 at 2:00PM TO CONSIDER AND IF THOUGHT FIT PASS THE FOLLOWING RESOLUTIONS:

RESOLUTIONS

1. To receive and consider the annual audited accounts and balance sheet and the reports of the Directors and Auditors for the period ended 31st March 2017.

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

3. To consider the re-election of Russel Andrew Peter Michel as a Director of the Company in accordance with Article 24.9 of the Company's Articles of Incorporation, it being noted that Mr Michel was appointed as Director of the Company on 12 January 2017.

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

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

SPECIAL BUSINESS

6. THAT the Company be and is hereby re-authorised in accordance with Section 315 of the Companies (Guernsey) Law 2008, as amended to make market purchases of its own shares provided that:

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

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

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

(d) such authority shall expire on the date of the annual general meeting of the Company in 2018 unless the authority is varied, renewed, or revoked prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to purchase its own shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

By Order of the Board

Frank Moon
Authorised Signatory
for Intertrust Fund Services (Guernsey) Limited
Corporate Secretary

St Peter Port Capital Limited
Notice of Annual General Meeting continued

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

See notes below

Notes:

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

2. To be valid a proxy form (and any power of attorney or other authority (if any) under which the proxy form is signed (or a certified copy thereof)) must be lodged with Capita Asset Services not less than 48 hours before the time for holding the Meeting or any adjournment thereof. A proxy form is included on page 39 of this report.

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

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

5. If, within fifteen minutes from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned to the same time on 28th June 2017 at the same address. At the adjourned Meeting, those Shareholders present, in person or by proxy, will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, a majority of not less than seventy-five per cent. (75%) of the total number of votes cast is required to pass any special resolutions. The majority required for the passing of any ordinary resolutions is more than fifty per cent. (50%) of the total number of votes cast on each such ordinary resolution.

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

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

ST PETER PORT CAPITAL LIMITED ("the Company")

FORM OF PROXY FOR USE AT THE TENTH ANNUAL GENERAL MEETING

to be held at Martello Court, Admiral Park, St Peter Port, Guernsey, on 21st June 2017 at 2:00p.m. and at any adjournment thereof

I/We ______________________________

(BLOCK LETTERS PLEASE)

of ______________________________

being (a) member(s) of the Company hereby appoint the Chairman of the Meeting or*

____

as my/our proxy to vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held at Martello Court, Admiral Park, St Peter Port, Guernsey, on 21st June 2017 at 2:00p.m. and at any adjournment thereof. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy, an alternative proxy may be named if desired. A proxy need not be a member of the Company.

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

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
THAT:			
1 To receive and consider the annual audited accounts and balance sheet and the reports of the Directors and Auditors for the period ended 31st March 2017.			
2 To consider the re-appointment of Graham Barry Shore as a Director of the Company, who has offered himself for re-appointment in accordance with the Company's Articles of Incorporation.			
3 To consider the re-election of Russel Andrew Peter Michel as a Director of the Company in accordance with Article 24.9 of the Company's Articles of Incorporation, it being noted that Mr Michel was appointed as Director of the Company on 12 January 2017.			
4 To re-appoint Deloitte LLP the auditors of the Company, to hold office from the conclusion of the meeting until the conclusion of the next meeting at which the accounts are presented to the Company and to authorise the directors to fix their remuneration.			
5 To consider and if appropriate approve the Company's investment strategy.			
6 THAT the Company be and is hereby re-authorised in accordance with Section 315 of the Companies (Guernsey) Law 2008, as amended to make market purchases of its own shares provided that it is in accordance with the provisions detailed in the Notice and Agenda of this Annual General Meeting.			

Signed this ______________ day of ______________ 2017

Signature ______________________________

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

Notes:

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

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

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

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

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

(iv) To be valid the original of this form of proxy and the original of any power of attorney or of the authority under which it is executed (or a certified or office copy of such power of attorney) must be lodged with **Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** not later than 48 hours before the time appointed for the Tenth Annual General Meeting. Completing and returning this form of proxy will not prevent you from attending the meeting and voting in person if you so wish.

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

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

Officers and Professional Advisers

Directors (all non-executive)
Lynn Bruce (Chairman)
Peter Francis Griffin (Director) – resigned 12 January 2017
Graham Barry Shore (Director)
Russel Andrew Peter Michel (Director) – appointed 12 January 2017

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

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

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

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

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

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

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

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA

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

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

The Royal Bank of Scotland
International Limited (RBS International)
Royal Bank Place
1 Glategny Esplanade
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