

RNS Number : 5925W  
St Peter Port Capital Limited  
12 December 2019

## **St Peter Port Capital Limited**

### **Interim Results for the Six Months Ended 30 September 2019 and Notice of Extraordinary General Meeting ("EGM")**

*St Peter Port Capital Limited (the "Company" or "St Peter Port" or "SPPC"), the AIM quoted investment company announces its interim results for the six months ended 30 September 2019.*

#### **Highlights**

- Investments in 6 companies\* at period end valued at £11.1m
- NAV of 18.04p per share at 30 September 2019, up 4.8 per cent since 31 March 2019, FX movements having contributed 1.2p
- £518k in cash at 10 December 2019
- An EGM will be held on 15 January, 2020 to vote on extending the Company's life for a further year.

\* companies in which the Fund made pre-IPO investments, excluding those entirely written down

Lynn Bruce, Chairman of St Peter Port, said:

"We do see positive developments in our core companies, however progress remains slow. Although we are working to create opportunities to sell down St Peter Port's positions in the companies, none of them have yet reached an inflexion point which would allow us to conclude a sale at what St Peter Port considers fair value."

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

#### **For further information:**

*St Peter Port Capital Limited  
Lynn Bruce, Director - 01481 724 222*

*Grant Thornton UK LLP - Nominated Adviser  
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Dru Danford - 020 7408 4090*

## **CHAIRMAN'S STATEMENT**

### **Introduction**

I report upon the six months ended 30 September 2019.

## Financial Results

The balance sheet shows investments of £11.1 million, consisting of financial assets at fair value through profit or loss of £11.1 million. Net assets were £11.6 million, giving a net asset value of 18.04p per share. Net assets have increased by 4.8 per cent since 1 April 2019. The changes result primarily from currency movements. At the balance sheet date, the Company held £539,000 in cash. As at 10 December 2019, the Company held £518,000 in cash.

## Investment Report

Further to the Company's announcement on 2 September 2019, I am pleased to confirm that the Company has now terminated its discretionary investment management agreement with St Peter Port Investment Management Limited and has become a self-managed fund. Its wholly owned subsidiary, St Peter Port Capital Services Limited, is now providing certain investment advisory and monitoring services to the Company. The net effect of these changes will reduce investment management costs by more than half from their previous, already reduced, level.

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

The following table shows the breakdown by sector of the portfolio (excluding investments fully written off) as at 30 September 2019:

### Investments by Sector as at 30 September 2019

Sector	Number	Cost £m	Value £m	Percentage (of value)
Ag. / Forestry	1	1.9	0.3	2.70%
Technology	2	1.7	1.6	14.41%
Oil and Gas	1	1.8	3.0	27.03%
Mining	2	3.7	6.2	55.86%
<b>Total</b>	<b>6</b>	<b>9.1</b>	<b>11.1</b>	<b>100.0%</b>

The table below shows the breakdown by region of the portfolio (excluding investments fully written off) as at 30 September 2019:

### Analysis by continent\*

		<b>Cost (£m)</b>	<b>Value (£m)</b>	<b>% of value</b>
Europe	1	0.7	0.3	2.7%
N. America	2	3.2	1.4	12.6%
Asia	1	1.8	3.1	27.9%
S. America	2	3.4	6.3	56.8%
<b>Total:</b>	<b>6</b>	<b>9.1</b>	<b>11.1</b>	<b>100.0%</b>

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

### **New Investments and Realisations**

During the period, the Company neither made nor realised any investments. The reported increase in the value of the investments arose solely as a result of FX movements and may reverse in subsequent periods.

### **Investment Report**

#### *Brazil Potash*

Brazil Potash's management reports that during the recent BRICS Summit in Brasília, Brazil, the company signed a binding Engineering, Consulting and Construction ("EPC") contract with CITIC Construction ("CITIC"). This contract includes a commitment from CITIC to arrange a large part of funding required to construct the mining development as a condition for being awarded the EPC contract. CITIC's parent company, CITIC Ltd., has a market capitalisation of US\$290 billion and is one of the largest state-owned enterprises in China.

We understand that CITIC's commitment includes arranging a portion of the equity required and all of the debt. Further equity will be required from third parties unrelated to CITIC.

The company reports that it has had and continues to have discussions to raise the balance of the equity. If financing for the project was to be completed, this would significantly advance the possibility for us of an exit by way of an IPO or sale of the company or by a sale of our position in Brazil Potash in the secondary market.

#### *Buried Hill*

Buried Hill has a Production Sharing Agreement ("PSA") with the government of Turkmenistan in relation to one of the largest oil blocks under the Caspian Sea. However, the block lies beneath a disputed border between Turkmenistan and Azerbaijan.

Following on from the signing of the Convention on the Legal Status of the Caspian Sea last year, the first Caspian Economic Summit was held in August 2019 in Turkmenistan, attended by the President of Turkmenistan and Prime Ministers from the four other Caspian littoral countries. The Buried Hill management team attended and reported that relations between the states continue to improve, they remain serious about developing regional ties, particularly in energy, transport and security and there is growing interest from parties further afield for them to do so, particularly the European Union.

Buried Hill's ongoing focus has been on protecting its rights under the Block III PSA whilst reviewing its ongoing costs to maintain a sustainable level. The management have been working with the Turkmenistan Government to stop the clock on the licence in order to avoid significant costs associated with moving into the next licence period; this includes taking appropriate legal measures to protect its position.

Meanwhile, Buried Hill remains substantially funded (in relation to this project) and your board is content to leave the valuation as is.

#### *iQur*

We are in regular contact with iQur. The company reported some time ago that it has shown that its influenza vaccine lead candidate protects against lethal influenza infection in mice (with experiments conducted at three different independent laboratories) and is confident that its vaccine has true potential as a "universal" flu vaccine on the basis of these tests. iQur continues to seek funding to pursue a phase 1 clinical trial of its flu vaccine, but the investment climate for small bio-tech companies in recent months has been difficult. The company's CEO has told us that the company has sufficient cash for its immediate needs and that its small diagnostics business continues to generate some net cash. However, it is now considering a small investment round as a rights issue to tide it over and provide funding to renew its principal patents.

#### *Red Flat Nickel*

Red Flat Nickel has continued to explore available options to reverse the decision to have its claims withdrawn from mineral extraction (effected in the final days of the previous administration). To that end, Red Flat continues to engage with the local Forest Service and make representations to senior political figures both locally and in Washington DC. Meanwhile, it renewed its mining claims over the summer to allow it to seek to establish that it had Valid Existing Rights prior to the withdrawal, in an effort to obtain compensation for the loss of its opportunity.

#### *Mediatainment - Stream TV Networks*

Stream TV's most recent shareholder update reported that it continues to make progress. The company's strategic alliance with Chinese panel manufacturing giant BOE is growing stronger as evidenced by a formal visit by their Chief Technology Officer. A team based in Silicon Valley has been added who are closer to the market for recent commercialization / productization developments. The company continues to meet customers on an engineering level to achieve mutual clarity and it has expanded its approved and already strong patent portfolio. The company has raised almost USD\$25m during the past 18 months (and an additional USD\$4.6m in July 2019) to support operations and accelerate development for the 8K chip solutions.

SPPC was given the opportunity to exchange its shares in Mediatainment Inc., a holding company for Stream TV Networks Inc, into a direct holding in Stream TV Networks Inc itself. As Stream is the entity which is likely if successful to IPO or be sold, we took advantage of this. The restructuring should put SPPC in a better position to take advantage of any future realisation opportunity.

If the company announces a significant fundraising or a product successfully coming to market, this may enable a sale of SPPC's position in Stream TV in the secondary market in advance of an IPO. The company has told investors it would like to pursue an IPO when it is in a position to do so.

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

AIG is the largest agricultural company operating in Uruguay with more than 100 farms across over 180,000 hectares, nearly 1% of Uruguay's total land mass. Its revenue streams include land leasing, producing dry crops and its trading activities with Granosur. Its latest shareholder report notes that it has achieved a positive EBITDA (USD\$0.7 million) for the second consecutive year. We understand that the company's debt reduction programme continues to make progress and it remains focused on reducing operational costs where possible.

We understand that the company has no current plans to attempt a listing. Any realisation of this position at the current time is therefore dependent on our finding a potential buyer in the secondary market willing to pay a price that the board of St Peter Port considers fair.

### *Written-down holding - possible uplift*

St Peter Port has not written down any of its investments during the period under review. We were notified some time ago by the chairman of one of our portfolio companies that it had received an offer for the company which, having been accepted, has now legally exchanged. This position had previously been written down and the proceeds would generate an uplift in the Company's net asset value and cash holdings of some €700,000. However, the purchasers undertook to complete the acquisition some weeks ago which has not yet taken place. Whilst we are not aware of any intention to rescind the contract, we have made no accrual for this potential receipt in our accounts.

### *Liquidity Prospects*

St Peter Port's holdings remain highly illiquid for the reasons discussed above. We do see positive developments in our core companies, however progress remains slow. Although we are working to create opportunities to sell down St Peter Port's positions in the companies, none of them have yet reached an inflexion point which would allow us to conclude a sale at what St Peter Port considers fair value.

### *Life of the Company*

The Board undertook to provide a continuation vote by shareholders each year. An EGM will be held on 15 January, 2020 to enable shareholders to vote on continuing the life of the Company. The background to the vote at the EGM and the reasons why the Board recommend that shareholders vote in favour of the resolution being proposed are given below.

**Lynn Bruce**  
**Chairman**  
**for and on behalf of**  
**St Peter Port Capital**

### **Limited Life of the Company - Extraordinary General Meeting**

The Board wishes to convene a general meeting to enable shareholders to vote on continuing the life of the Company. The Company was established with the provision that its life would be reviewed every five years but, following the most recent five year review in 2017, the Board promised to provide a continuation vote by shareholders each year. The basis of the continuation vote as set out in the Company's Articles is that if the shareholders vote for its life to be brought to an end, the Board would seek to dispose of the Company's holdings over the following year. After that year a liquidator would be appointed to wind the Company up within a further year.

### **Reduced costs**

As announced on 2 September 2019, the Board has implemented further measures to reduce costs, including changes in investment management arrangements. The Company has become a self-managed fund and has established a new, wholly owned subsidiary, St Peter Port Capital Services Limited, to provide investment advisory and monitoring services to the Board. The net effect of these changes will reduce investment management costs by more than half from their previous, already reduced, level. Other changes have been agreed which will further reduce costs.

### **Current Status of the Company and Scope for Realisations**

The financial position of the Company is set out in the accompanying interim report to shareholders for the 6 months ended 30 September 2019.

The value in the portfolio of investments held by the Company remains concentrated in a small number of minority holdings in unquoted companies. As a minority investor, it is not open to the Company to

effect a rapid realisation of our interests other than through a sale of our holdings on a minority unquoted basis to another investor. This has proven very difficult to achieve on good terms. The alternative is to wait for a liquidity event achieved by the investee companies such as an IPO, trade sale or other similar capital action. Although we have held these investments for many years, we have not yet seen the hoped-for liquidity event in the companies which we continue to hold.

However, the companies in the core portfolio continue to progress. In addition, the potential remains for the value of one or more of the companies already written down to revive. Although extending the life of the Company will necessarily incur additional running costs, the Board considers that the scope for materially better realisation terms from the core portfolio (and perhaps from other holdings as well) should justify the continued life of the Company for at least an extra year. The alternative of liquidation in the short term is unlikely to achieve good value.

### **Proposal for the Extraordinary General Meeting**

The Board proposes the extension of the life of the Company for a further year. The Company will send shareholders a notice next week convening an extraordinary general meeting (the "EGM") to enable shareholders to vote on continuing the life of the Company for at least one more year (the "Notice"). The EGM of the Company will be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD on Wednesday, 15 January, 2020 10 a.m. On posting of the Notice, this will be notified and electronic copies will be available on the Company's website [www.stpeterportcapital.com](http://www.stpeterportcapital.com).

The wording of the resolution to be put is as follows:

- a. the life of the Company be continued;
- b. for at least one more year, the Company not be wound up by the directors through a process of orderly realisation by the Company of its investments and cessation of further investment.

Should shareholders approve the resolution, the life of the Company will continue. If shareholders do not approve it, the Board will seek to dispose of the Company's assets quickly on the basis that a liquidator must be appointed a year later.

If the life of the Company is extended, the Board proposes to put forward a similar resolution at its next Annual General Meeting in 2020. Thus a vote to continue the Company is effectively a vote to allow a further year of activity, after which the life will again be voted upon.

Given the lower costs of continued operation and the better prospects for realisation if the Company is not seen to be a forced seller of its holdings, the Board strongly recommends to shareholders that they support the continuation resolution.

### **CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019**

		<b>As at 30 September 2019 (unaudited) £ '000</b>	<b>As at 31 March 2019 (audited) £ '000</b>	<b>As at 30 September 2018 (unaudited) £ '000</b>
<b>Assets</b>	<b>Notes</b>			
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4(a)	11,107	10,382	13,843
Loans and other receivables		11	11	94
Cash and cash equivalents		539	756	107

<b>Total assets</b>		<b>11,657</b>	11,149	14,044
<hr/>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		<b>74</b>	96	175
<hr/>				
<b>Total liabilities</b>		<b>74</b>	96	175
<hr/>				
<b>Net assets</b>		<b>11,583</b>	11,053	13,869
<hr/>				
<b>Equity</b>				
<b>Capital and reserves attributable to equity holders of the company</b>				
Special reserve		-	-	-
Revenue reserve		<b>11,583</b>	11,053	13,869
<hr/>				
<b>Total Equity</b>		<b>11,583</b>	11,053	13,869
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Net asset value per ordinary share (pence per share)	7	<b>18.04</b>	17.21	21.60

These financial statements are unaudited and are not the Company's statutory financial statements.

#### CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

		<b>Period ended 30 September 2019</b>	<b>Year ended 31 March 2019</b>	<b>Period ended 30 September 2018</b>
	<b>Notes</b>	<b>(unaudited) £ '000</b>	<b>(audited) £ '000</b>	<b>(unaudited) £ '000</b>
<b>Income</b>				
Net changes in fair value of financial assets at fair value through profit or loss	4(b)	725	(1,682)	879
Foreign exchange gain		1	-	-
Interest income		2	1	-
Other income		-	7	5
<hr/>				
<b>Net investment profit / (loss)</b>		<b>728</b>	<b>(1,674)</b>	<b>884</b>
Administrative expenses		(198)	(541)	(283)
<hr/>				
<b>Net profit / (loss) from operations</b>		<b>530</b>	<b>(2,215)</b>	<b>601</b>
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**Profit / (loss) for the period / year  
attributable to shareholders of the  
Company**

530	(2,215)	601
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Basic and diluted profit / (loss) per  
Ordinary share  
(pence per share)

5	0.83	(3.45)	0.94
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**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD  
ENDED 30 SEPTEMBER 2019**

	<b>Period ended 30 September 2019</b>	
	<b>Revenue Reserve</b>	<b>Total Equity</b>
	<b>£ '000</b>	<b>£ '000</b>
Balance brought forward	11,053	11,053
Profit for the period	530	530
<b>Balance at 30 September 2019</b>	<b>11,583</b>	<b>11,583</b>

	<b>Year ended 31 March 2019</b>	
	<b>Revenue Reserve</b>	<b>Total Equity</b>
	<b>£ '000</b>	<b>£ '000</b>
Balance brought forward	13,268	13,268
Loss for the period	(2,215)	(2,215)
<b>Balance at 31 March 2019</b>	<b>11,053</b>	<b>11,053</b>

	<b>Period ended 30 September 2018</b>	
	<b>Revenue Reserve</b>	<b>Total Equity</b>
	<b>£ '000</b>	<b>£ '000</b>
Balance brought forward	13,268	13,268
Profit for the period	601	601
<b>Balance at 30 September 2018</b>	<b>13,869</b>	<b>13,869</b>

These financial statements are unaudited and are not the Company's statutory financial statements.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED  
30 SEPTEMBER 2019**

	<b>Period ended 30 September 2019</b>	<b>Year ended 31 March 2019</b>	<b>Period ended 30 September 2018</b>
	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
<b>Cash flows from operating activities</b>			
Interest and investment income received	2	1	-
Operating expenses paid	(220)	(676)	(341)
<b>Net cash used in operating activities</b>	<u>(218)</u>	<u>(675)</u>	<u>(341)</u>
 <b>Cash flows from investing activities</b>			
Sale of investments	-	1,096	196
Repayment / (advance) of subsidiary loans	-	34	(49)
<b>Cash inflow from investing activities</b>	<u>-</u>	<u>1,130</u>	<u>147</u>
 <b>Cash (outflow) / inflow for the period / year</b>	(218)	455	(194)
<b>Foreign exchange gain</b>	1	-	-
<b>Opening cash and cash equivalents</b>	<u>756</u>	<u>301</u>	<u>301</u>
<b>Closing cash and cash equivalents</b>	<u><u>539</u></u>	<u><u>756</u></u>	<u><u>107</u></u>

These financial statements are unaudited and are not the Company's statutory financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019**

**1. General information**

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

The company continued to hold 100 per cent. ownership of St Peter Port Capital (RFN) Limited, 100 per cent. ownership of SPPC Securities Holdings Limited and 80 per cent. of the ordinary share capital in Red Flat Nickel Corp. (an Investee Company). St Peter Port Capital (RFN) Limited is registered in Guernsey, and SPPC Securities Holdings Limited is registered in Ireland. Red Flat Nickel Corp. is registered in the USA. During the period, the company has established a new wholly owned subsidiary, St Peter Port Capital Services Limited, which will provide certain investment advisory and monitoring services to the company. The existing investment manager, St Peter Port Investment Management Limited, agreed to terminate its mandate with immediate effect from 1 September 2019 without any early termination charges.

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.

This condensed interim financial information for the six months ended 30 September 2019 and the financial statements for the year ended 31 March 2019 have been prepared on a going concern basis. The address of the registered office is 3<sup>rd</sup> Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD.

The company's website is [www.stpeterportcapital.com](http://www.stpeterportcapital.com).

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

This condensed interim financial information has not been reviewed or audited by an independent auditor.

## **2. Accounting policies - basis of preparation**

### **2.1 Standards and Interpretations effective in the current period**

The company adopted the below new or revised standards and interpretations in the current period.

IFRS 16 "Leases" - On adoption of IFRS 16 for the first period commencing 1 April 2019, the Directors do not consider IFRS 16 to have a material impact on the financial position or performance of the company.

IAS 12 "Income Taxes" - The date from which the amendments apply to the company is 1 April 2019 and the amendments are not expected to have any material impact on the company's financial position, performance or disclosures in its financial statements.

### **2.2 Accounting Standards and Interpretations issued but not yet effective**

The following new standards have been issued by the IASB however are not yet effective for the current financial period. The company will comply with the new standards and amendments from the effective date and has elected not to early adopt any new standards at this stage.

IAS 1 Presentation of Financial Statements' (effective for periods commencing on or after 1 April 2020). Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors' (effective for periods commencing on or after 1 April 2020). Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

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.

### 3. Segmental information

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 initial public offering ("IPO") within a reasonably short time horizon.

The company mainly operates in the following sectors:

#### Financial assets

	30 September 2019 £'000	30 September 2019 %	31 March 2019 £'000	31 March 2019 %	30 September 2018 £'000	30 September 2018 %
Oil & Gas	3,014	27.13	2,842	27.37	3,553	25.67
Mining	6,173	55.58	5,819	56.05	5,821	42.05
Technology	1,579	14.22	1,508	14.53	3,246	23.45
Agriculture / Forestry	341	3.07	213	2.05	322	2.33
Other	-	0.00	-	0.00	901	6.51
	<u>11,107</u>		<u>10,382</u>		<u>13,843</u>	

### 4. Financial assets at fair value through profit or loss

#### a) Designated at fair value through profit or loss

#### Financial assets

	30 September 2019 Historic Cost £'000	30 September 2019 Market value £'000	31 March 2019 Historic cost £'000	31 March 2019 Market value £'000	30 September 2018 Historic cost £'000	30 September 2018 Market value £'000
Listed equity securities	3,169	-	3,169	-	-	-

Unlisted equity securities	33,733	10,904	33,733	10,190	35,785	12,750
Listed debt securities	-	-	-	-	903	901
Unlisted debt securities	2,931	203	2,931	192	3,006	192
<b>Total financial assets at fair value through profit or loss</b>	<b>39,833</b>	<b>11,107</b>	<b>39,833</b>	<b>10,382</b>	<b>39,694</b>	<b>13,843</b>

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

	<b>30 September 2019</b>	<b>31 March 2019</b>	<b>30 September 2018</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Realised and unrealized gains / (losses) on financial assets at fair value through profit or loss	725	(1,648)	913
Realised and unrealized losses on subsidiary loans	-	(34)	(34)
<b>Net changes in fair value of financial assets at fair value through profit or loss</b>	<b>725</b>	<b>(1,682)</b>	<b>879</b>

**c) 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.

<b>As at 30 September 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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	£ '000	£ '000	£ '000	£ '000
Financial investments designated at fair value through profit or loss				
Unlisted equity securities and debt	-	-	11,107	11,107
Assets measured at fair value	-	-	11,107	11,107

<b>As at 31 March 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Financial investments designated at fair value through profit or loss				
Unlisted equity securities and debt	-	-	10,382	10,382
Assets measured at fair value	-	-	10,382	10,382

<b>As at 30 September 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Financial investments designated at fair value through profit or loss				
Listed debt	901	-	-	901
Unlisted equity securities and debt	-	-	12,942	12,942
Assets measured at fair value	901	-	12,942	13,843

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 (concurring with 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.

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.

## 5. Profit / (loss) per ordinary share

The calculation of basic profit per ordinary share is based on the net profit from continuing operations for the period of £530,000 (31 March 2019 loss: £2,215,000, 30 September 2018 profit: £601,000) and on 64,221,501 shares being the weighted average number of shares in issue during each period.

## 6. Share capital

<b>30 September 2019</b>	<b>31 March 2019</b>	<b>30 September 2018</b>
<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>

10,000 Founder shares of £0.01 each authorised, issued and fully paid

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### **Ordinary Shares**

There are an unlimited number of ordinary shares of nil par value authorised. At the end of each reporting period 30 September 2019, 31 March 2019 and 30 September 2018, 64,221,501 were in issue and fully paid, not including the treasury shares as detailed below. The ordinary shares do not carry any right to fixed income.

### **Treasury reserves**

The Company had 2,250,000 ordinary shares held in treasury at 30 September 2019, 31 March 2019 and 30 September 2018.

### **7. Net asset value per share**

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 ordinary shares at each reporting date.

### **8. Related party transactions**

Related party transactions are described in the 2019 Annual Report and Accounts on page 32.

The new subsidiary, St Peter Port Capital Services Limited referred to in note 1, will recompense a subsidiary of Shore Capital Group Limited for the provision of personnel providing administrative services to the Company under a contract for £60,000 per annum.

There were no other related party transactions during the period ended 30 September 2019.

### **9. Subsequent events**

There were no significant events subsequent to the period end.

### **10. Further information**

Electronic copies of the Company's interim results for the period to 30 September 2019 and the Notice are available on the Company's website: [www.stpeterportcapital.com](http://www.stpeterportcapital.com) and from the offices of Maitland Administration (Guernsey) Limited, 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD. The interim results and the Notice will be sent to shareholders by post.

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