EL ORO LTD

Annual Report
Audited Financial Statements

for the year ended 30 June 2012

Group founded 1 November 1886

El Oro Ltd, (“the Company”) is the Group holding company for the following subsidiary companies:

Active subsidiary companies:

- El Oro and Exploration Company Limited;
- Investigations and Management Limited; and
- General Explorations Limited.

Dormant subsidiary companies:

- El Oro Mining and Exploration Company Limited; and
- Group Traders Limited.

The Company is registered in Guernsey and each subsidiary company is registered in England and Wales. All companies are collectively referred to as “the Group” throughout this document.

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GROUP OPERATIONS

Investment objective
The main aim of the Group since 1938 has been to increase the net asset value of shares in issue, whilst increasing the annual dividend. The Group's investment objective is to realise value from a portfolio of securities, providing a growing annual dividend payment to shareholders.

Investment outlook
The Chairman's statement reviews the highs and lows of the year in review and the outlook for the Group.

Financial highlights

	30 June 2012	30 June 2011
Net asset value per share	**118.0 pence**	151.8 pence
Dividends per Share paid to external Shareholders during the year ended	**20.0 pence**	5.0 pence
Total dividends paid to external Shareholders during the year ended	**£2,155,300**	£539,000

The Group's net asset value per Share ("NAV") showed a decrease over the year of 22.3% while the FTSE All Share Index was down by 6.6% and the stock price up by 1.7%. These figures are shown over 3, 4 and 5 years in the following table, demonstrating consistent out performance against our benchmark over the longer term.

	FTSE All Share	Share price	NAV
Financial year to 30 June 2012	-6.6%	1.7%	-22.3%
3 years	33.1%	69.6%	47.3%
4 years	1.3%	13.4%	2.3%
5 years	-15.1%	-12.0%	-8.1%

This Annual Report contains the consolidated financial statements of El Oro Ltd, ("the Company"), which operates as a closed-ended investment company on the Channel Islands Stock Exchange ("CISX"). The Company is incorporated and resident in Guernsey.

Purchase and cancellation of own shares
The Company is authorised to purchase Shares under the Articles subject to Shareholder authorisation. The Board is seeking authorisation from the Shareholders at the AGM to purchase up to 10.0% of the Company's Shares in the market for the purpose of managing any discount to net asset value, should the Shares trade at a sufficient discount. The Board advises that there will be occasions where the Company is precluded from making such purchases because it possesses unpublished price sensitive information. Any such purchase will be made at the prevailing market price. At the date of this report, the number of Shares in issue is 64,657,340.

Authority for market acquisitions
For the avoidance of doubt and to ensure compliance with the provisions of the Companies (Guernsey) Law, 2008, the Company's authority for market acquisitions as set forth in the Company's Articles of Incorporation should be restated in an ordinary resolution. Accordingly, the Board recommends that resolution number 4 set forth in the Notice of the Annual General Meeting should be passed.

Annual General Meeting
The Annual General Meeting will be held at 12 noon on 15 November 2012 at 41 Cheval Place, London SW7 1EW.
This Annual Report can be downloaded in electronic format from www.eloro.com.

CHAIRMAN'S STATEMENT

The Board paid a final dividend of 20 pence per share for the year-ended 30 June 2011 on 28 November 2011 to Members registered on the books of the Company at the close of business on 4 November 2011.

The Board has resolved to pay a final dividend of 3.5 pence for the year-ended 30 June 2012 on 23 November 2012 to Members registered on the books of the Company at the close of business on 2 November 2012, which would have been equivalent to 21 pence per share prior to the split and bonus issue on 28 November 2011.

The El Oro Group's loss before tax for the year-ended 30 June 2012 was £21,782,577 (profit before tax for the year-ended 30 June 2011 was £30,363,697). The Group's net assets at 30 June 2012 were £76,305,325 or 118.0 pence per share (30 June 2011 were £98,171,099 or 151.8 pence per share). Following market volatility, unrealised losses included in the figures for the year-ended 30 June 2012 were £25,725,755 (unrealised profit to 30 June 2011: £22,199,717).

This soggy set of results, saturated by incessant rain in May and June, followed the failure to heed the old adage of 'Sell in May'.

In consequence and in conjunction with the burgeoning crisis in the Euro zone, falling growth in China, with its effect on the commodities markets, and the increasing frailty of the Coalition and the shambles of the Chancellor's Budget, market levels at the end of June reached a nadir and saw hefty falls, particularly amongst smaller mining stocks.

Whilst the price of Troy held up remarkably well, as a result of its growing production profile, many of our smaller exploration stocks lacking the buffer of production languished at pitiful levels. In some cases, such as Centamin Egypt, Extorre and perhaps Patagonia in Argentina, this was exacerbated by political turmoil, persecution or posturing, such as that practised by the government of Argentina, recently deprived of its tall ship La Libertad to a hedge fund plaintiff whilst at port in Ghana. The old adage that you can run, but you cannot hide, comes to mind.

Extorre has since been swallowed by Yamana, albeit at a price well below that of its highs in 2011, whilst Centamin Egypt has responded to what might be seen as a more stable government under its almost-democratically-elected leader. PZ Cussons has also suffered as a result of murders and mayhem in Nigeria, along with tough competition in Australia. Under the soporific sentiment of a static Gold price and modestly lacklustre production figures, other holdings such as Archipelago Resources, whose Toka Tindung gold production has at long last commenced, also declined.

The travails of the Platinum market have been to the fore more recently, but our South African holding's in Impala and Anglo-Platinum were already suffering from an excess of supplies and a weak catalyst market before the tragic events at Marikana. The current turmoil and spate of strikes does not bode well for the output of minerals although perversely it may thereby reduce the output of gold and platinum and help enhance their price. The egregious accumulation of wealth in the hands of the few which would appear to have been the main outcome of the transfer of power may now be coming to haunt the harmony and labour relations of that land, with uncertain consequences in the absence of a cohesive leader of Moral stature. All something to brood over, before the chickens come home to roost. Proverbs XXVIII v 6: 'Better is a poor man who walks in his integrity than a man who is rich and perverse in his ways' an attribute equally essential amongst the new leaders of our Banks and Financial sector, as well as those elsewhere in the world.

The high expectations of Her Majesty's Diamond Jubilee from the Brewers' perspective received a thorough soaking, along with the spectators. Many of our other UK based holdings suffered under the Economic uncertainty engendered by excessive Direct and Indirect taxation, particularly and invidiously on the Pub sector, along with the perceived shortcomings of the Administration and Business Secretary's ambivalent attitude.

CHAIRMAN'S STATEMENT

The travails of the Bank sector, under assault both by the UK authorities for its failure to expand its lending to the consumer, and the United States for money-laundering or rate-fixing, has in no small measure impeded any putative recovery in Britain; at a time when the storm clouds of wrath have been massing around the World. The requirements of the Basel convention have obliged Banks to set aside additional cash to build their solvency ratios, and in so doing have reduced their capacity to lend at a time when it is most needed. Not content with allowing our financial institutions to be shackled in this way, it is now proposed to start a' People's Bank' to lend primarily to the housing sector, even though the 'People' already own the bulk of RBS and a large position in Lloyds TSB.

It is a sad reflection on the level of economic literacy in this country that such an absurd idea can gain the light of day and be considered as Government policy. The failure of recent attempts by statutory bodies to provide finance, not to mention their predecessors in the 60s and 70s, should have been sufficient warning to steer clear of Government involvement. We are told that well-capitalised and managed banks from elsewhere, such as the Swedish Handlesbanken, are making inroads into the British lending market; moreover several start-up banks are seeking funds, and we believe it is utterly invidious that the Government should be seeking involvement in this sector. Surely its incompetence in managing market-orientated activities has already been proven beyond doubt? The inability of the Government and Civil Service to conduct a fair Rail Franchise process is the latest fiasco to become apparent, and will hopefully put paid to the absurd High Speed Rail project.

The ongoing destruction of Britain's Company Pension Schemes has also reduced the amount of money to be invested in business, as illustrated recently by Smiths Industries, amongst others, and Dawson International. The effect of Quantitative Easing has been to reduce yields on bonds, thereby requiring the input of further funds into the Pension schemes, to produce the requisite amount of income for Plan holders. This in turn reduces the amount which may be re-invested into the business, achieving almost the diametric opposite of what was intended by low rates.

With the dissolution of Guinness Peat's Brewery holdings, redirected back to Australia at quite possibly an opportune time, we increased our position in both Young's Brewery (a slight misnomer after its exit from the Wells and Young's arrangement) and Shepherd Neame; both well-run businesses that have stood the test of time and owning extensive South–Eastern England Estates. Both would appear to be thriving, despite today's youthful obsession with 'social networking' reducing attendance at real venues.

At the ground level, James Halstead has proved its staying power, and in more recent weeks has soared to new highs, as it attracts a widening band of admirers, bolstered by yet more record figures and growing production in what for most of its rivals is a forbidding market.

We paid up for our warrants in Hurricane Exploration, with its extensive North Sea Oil reserves, but remain cognisant that its ultimate success remains dependent upon a deep-pocketed and honourable partner, along with a sustained high price of oil.

Our investment in Red Leaf and its Shale Oil extraction Technology, now backed by Total, could well be a significant beneficiary of the burgeoning Shale Gas Revolution: this has tremendous implications for Britain's and the World's Energy costs, if not blocked by the modern day Luddites from the Green Movement.

A depressing announcement recently was that of Japan's decision to phase out its Nuclear Power production, amongst the third largest in the World; although given the demographic decline in prospect for Japan, what remains of their population may well be able to make do sheltering under a Turbine for an occasional gust of wind, accompanied and assisted by an Honda Robot as a surrogate child. Japan's decline is symbolised by the departure of Nomura from its London headquarters, as it returns to its homeland after the Rise and Fall of its Banking pre-eminence.

CHAIRMAN'S STATEMENT

Happily we have banked our money from Kalahari Minerals, from its new Chinese owners, although our other Uranium-focused investments are unlikely to sizzle anytime soon, unlike Fukushima.

MP Evans has continued to produce good results, despite a fall in the Palm Oil price and lower Cattle prices in Australia: its production profile along with that of REA Holdings as well as that of Kuala Lumpur Kepong should continue to benefit from increasing demand for Palm Oil.

Hard on the heels of our financial year-end came the Olympics, already applauded in their fulfilment in effusive coverage elsewhere. Whilst our heroes of water, wheels, hoof, spike and shot have engraved their prowess and persistence, energy and endeavour into our memories, the uplift they and the salutary sunshine bestowed upon our crops and pastures in recent weeks; has for a moment at least revived our flagging spirits.

It would however be premature to indulge in a fantasy of a respite from the 'hard times a' coming': if anything the future is more sombre and ominous than it has been for many years. The disastrous intervention by NATO and the United States in Libya and North Africa, along with Syria and Afghanistan, is now becoming painfully and tragically apparent: while the cold reality of the embedded power of the Muslim Brotherhood and Al Qaeda in distorting a minority vote for its own ends, in Egypt, Tunisia and Libya, is becoming increasingly obvious. Syria's collapse into anarchy and civil war accelerates, unbelievably abetted by the British Government's assistance to the rebels; it would seem they, like the Bourbons, have forgotten nothing and learnt nothing from their experience in Libya, Iraq and Afghanistan. After 10 years of strife and too many lives lost; the Taliban creep ever closer to the resumption of their rule. Perhaps a reading of Orlando Figes' 'A People's Tragedy', and of Lenin's elimination of the Mensheviks, might have alerted the many naïve politicians who have brought us to the present imbroglio, to a less starry-eyed vision for the future of North Africa and the once-stable parts of the Middle East.

Instead we are left facing the expulsion of Western interests from that area, and in Britain's case with a severely shrunken military capability have no Aircraft carrier to protect our interests for the next 10 or more years. It is deeply disheartening to observe the insouciance with which our leaders are reducing Defence spending to less than 2% of the overall budget, whilst maintaining overseas Aid and its enrichment of yet more cosy cliques; in addition to splurging insane subsidies on pernicious and inefficient Wind Turbines and other 'renewable' chimera: to scrap the Ark Royal 5 years ahead of schedule for a miniscule £3m, probably the price of a kitchen in an Oligarch's London Mansion, and to consider it good budgeting, beggars belief.

How tragic to see our Armed Forces sliced and diced at a time when the outlook for peace is in fact so clouded and uncertain. Into this maelstrom has to be mixed the threat of an attack on Iran, as it develops its nuclear capabilities, and the rumblings and grumblings between Japan and China over the disputed islands. Sadly, any new Dawn for the World of Peace and Prosperity has faded into an early twilight.

As to the Future, some of the older and more frivolous amongst you may recall a Television programme from the '50s and '60s called Whirlybirds, or Copter Patrol; few would have imagined that it was to be brought back into the heart of Government by none other than the Governor of the Federal Reserve, Mr. Ben Bernanke: his determination to spend spend spend America's way out of depression knows no bounds and is in marked contrast to the approach in 1920-21, which saw no bail out adopted and a relatively swift recovery from the downturn. Now it is apparent that the 'Yes we can' cry from the putative President Obama in 2008 has been replaced in his Presidential role by the realisation of ' No, we can't".

The latest version of Quantitative Easing, denominated QE3, has been greeted with a surge by most markets, and seeks to continue and build upon whatever was accomplished by QE1 and QE2. The Keynesians and Krugmanites will applaud such Government largesse, whilst those from the Austrian School, or believers in Sound Money, will regard this as an act of insanity, trying to achieve what 2 previous attempts have dismally failed to do; namely buying mortgage backed securities to bail out the banks whose lax lending led us into the abyss in the first place.

CHAIRMAN'S STATEMENT

The British government sadly has succumbed to much the same fantasy, proposing a house building programme to boost supply, abetted by the appropriately named Mr. Balls, when it is patently obvious that any house outside a 30 mile radius of London is currently unsaleable, because banks are unwilling to lend, and borrowers do not wish to expose themselves to prices that most consider still too high. When houses are again affordable, in its real meaning, they will sell and be sold, but certainly not whilst remaining at pre-crash levels and with exorbitant taxes being levied on their purchase and disposal.

Just as Britain's deficit continues, despite all the protestations of the Coalition's cheerleaders, to spiral beyond the £600 billion mark; so in the United States the 'Fiscal Cliff', fudged several months ago, is now rapidly approaching. Whilst there might be a ledge onto which the Government can cling for a little longer, at some point the Bond markets will refuse to feed the gargantuan appetite of both the US and the UK's bloated budgets; boosted as they are by insatiable, unaffordable and infinite Social Security, Healthcare and Pension demands, without mentioning Defence and Education.

More tragically, the Pensioners and Savers, especially of Britain, see their returns reduced to almost zero, with the Annuity needed to fund their pensions now unaffordable, owing to the abysmal level of interest rates: so the savers are shredded while the indigent and dependent are protected and enriched at their expense. Even the small solace of Pensioners' Freedom Pass and Rail card is now under attack.

This is the dilemma of Western Society, and whilst valiant efforts are being undertaken by a small number of ministers, the political cost of adopting a programme anywhere near that of Ron Paul is considered stratospheric and certain suicide.

So whilst we can rejoice that Mo Farah came not from Somalia, but Somaliland, a former British territory once untainted by the mores and vendettas of its larger namesake, we would do well to adopt a smidgeon of his commitment and dedication to training if we genuinely wish to reform and revitalise our creaking communities and indebted societies.

Without real restraint on expenditure, a proper rebuilding of necessary infrastructure and endorsement by all of the obligations to contribute to our National well-being, endless largesse and money printing is the road to ruin. Adopting the taxation policies of Messrs. Clegg, Cable, Hollande or Buffet will achieve nothing but a temporary and small salve to the debt disaster of governments, and the conscience of a manipulative minority: far better to release the energy and imagination of entrepreneurs in the creation of new and increased wealth for all, rather than trying to fill gaping holes with wodges of notes seized from unwilling and already impoverished tax-payers.

More immediately, the Eurozone stumbles forward, its bail-out now endorsed by the German court with caveats, and Mr. Draghi temporarily perhaps in the pole position over the Bundesbank. Whilst its cheerleaders may well like to suggest the corner has been turned, we would expect more maelstroms and Stürme und Gewitter (Storms and Tempest); as the intractable problems of Greece and Spain, compounded by the Chinese slowdown, continue to press remorselessly down on their hapless governments. The Depression that we all so fervently thought had been bypassed by frivolous financial legerdemain, would appear to be garrotting Greece and Spain at this very moment.

The EU is far more efficient at banning Azulox, for the treatment of Bracken, despite being the only effective and safe herbicide, than it is at resolving budget deficits, although its quest for additional powers over the Banking sector may well do for the Banks, especially the British Financial sector, what Azulox once did for bracken.

CHAIRMAN'S STATEMENT

In the face of so much uncertainty, the recipe remains the same: More Gold and Gold shares, even if we are slightly suspicious of the growing consensus amongst the great and the good, such as Bill Gross amongst others, in favour of Gold. We have previously relished being on the inside of one of the best performing asset classes over the last 10 years, and watching it being decried by the Mungers and Buffets of this world. We would include in this spectrum Brewers and the best of British businesses, Food and Energy producers. Whilst we would expect the Australian dollar to weaken in due course, as the slowdown in demand for its raw materials takes effect, our investments in that mostly stable area likely to continue to bring us benefit.

"How much better is it to get Wisdom than Gold! and to get understanding rather to be chosen than Silver." Proverbs XVI.16. We have certainly lacked discernment and acuity in some of these areas, so will proceed with a greater degree of caution into the murky waters ahead, bolstered by an essentially robust portfolio.

My thanks go to the similarly solid team at Cheval Place, now sadly bereft of Vicky Clutterbuck, who followed her swain to Somerset and whose grace and humour have enriched us over the past 5 years. We wish her well in a different stage of her life.

We remain indebted to the good services of Steven, Abbie, Nick, Melwin and more recently Jessica in meeting the ongoing challenges, along with the Directors and variety of advisers without whose wise counsel and guidance, life would be very much harder.

Robin Woodbine Parish
8 October 2012

INVESTMENTS WITH A FAIR VALUE EXPOSURE GREATER THAN £500,000 based upon fair values at 30 June 2012

	Investment	Local Currency	Fair Value GBP	Fair Value Cumulative GBP	% of financial assets
1	Troy Resources	AUD	10,393,844	10,393,844	
2	Young & Co.	GBP	8,894,508	19,288,352	
3	Hurricane Exploration	GBP	5,215,091	24,503,443	
4	James Halstead	GBP	4,581,874	29,085,317	
5	M P Evans Group	GBP	3,680,713	32,766,030	
6	Amerisur Resources	GBP	3,112,172	35,878,202	
7	Fuller Smith & Turner	GBP	2,174,396	38,052,598	
8	Archipelago Resources	GBP	2,088,852	40,141,450	
9	Kuala Lumpur Kepong	MYR	2,008,272	42,149,722	
10	Ceravision	GBP	1,997,718	44,147,440	**40.7%**
11	Mountview Estates	GBP	1,715,910	45,863,350	
12	Shanta Gold	GBP	1,285,375	47,148,725	
13	Dee Valley Group	GBP	1,020,000	48,168,725	
14	Shepherd Neame	GBP	1,019,520	49,188,245	
15	Gold Bullion	USD	2,548,288	51,736,533	
16	Blackrock Am UK Gold & General	GBP	972,807	52,709,340	
17	Gold Fields	ZAR	922,790	53,632,130	
18	Vietnam Enterprise Investment Fund	USD	904,553	54,536,683	
19	Patagonia Gold	GBP	895,781	55,432,464	
20	Diamedica	CAD	806,877	56,239,341	**51.9%**
21	Colt Resources	CAD	788,212	57,027,553	
22	Lydian International	CAD	781,333	57,808,886	
23	Berendsen	GBP	750,000	58,558,886	
24	PZ Cussons	GBP	724,960	59,283,846	
25	Archipelago Metals	USD	724,158	60,008,004	
26	Red Leaf Resources	USD	612,853	60,620,857	
27	Maudore Minerals	CAD	588,066	61,208,923	
28	REA Holdings	GBP	587,229	61,796,152	
29	McMullen & Sons	GBP	568,750	62,364,902	
30	Centamin	GBP	540,150	62,905,052	**58.0%**
31	Discovery Metals	AUD	536,480	63,441,532	
32	Banro Corp	CAD	534,224	63,975,756	
33	Jersey Electricity	GBP	516,000	64,491,756	**59.5%**
				43,982,667	**40.5%**
				108,474,423	**100.0%**

DIRECTORS' REPORT

The Directors present the Annual Report and the Group's Consolidated Financial Statements for the year ended 30 June 2012.

The principal activity of the Group is dealing in investments world-wide, with investments in UK companies forming the larger portion of the portfolio. It is the Directors' intention to continue managing the Group's affairs in accordance with its stated investment objectives, the progress of this endeavour is shown in the table of historical financial data on pages 12 and 13. The Chairman's statement, which begins on page 2 provides a comprehensive review of the Group's activities. Investments where the Group's exposure has a fair value greater than £500,000 on 30 June 2012 are listed on page 7. There was no change in the Group's activities during the current year. Operationally the management of the consolidated portfolio is co-ordinated as two separate portfolios; the Growth and Income portfolio managed in the UK (trading company) and the Growth portfolio managed in Guernsey (holding company).

The Company is a Registered closed-ended investment scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and The Registered Collective Investment Scheme Rules, 2008 issued by the Guernsey Financial Services Commission (the "Commission"). The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Dexion Capital (Guernsey) Limited, the Company's designated manager. The Commission takes no responsibility for the financial soundness of the Scheme or for the correctness of any of the statements made or opinions expressed with regard to it.

Results and dividend

The Group's loss on ordinary activities after taxation for the year was £19,722,473 (2011 profit: £28,343,605).

For the year ended 30 June 2012, a final dividend of 3.5 pence per share is proposed for payment on 23 November 2012 to Shareholders registered in the books of the Company at the close of business on 2 November 2012 (2011: 20.0 pence per share).

Principal Risks and Risk Mitigation

The Group's assets consist mainly of listed securities and its principal risks are therefore market and currency related. A detailed explanation of these risks and how they are managed is contained in note 22 of the financial Statements

Directorate

The Directors who served during the year and up to the date of signing the financial statements are noted on page 36, which forms part of this Directors' report.

Directors' interests in Shares

The interests of the Directors who held office during the year in the Company's Shares were as follows:

	El Oro Ltd			
	30 June 2012 beneficial	**30 June 2012 non-beneficial**	30 June 2011 beneficial	30 June 2011 non-beneficial
CRW Parish	**6,366,246**	**10,654,511**	1,070,171	1,771,535
SB Kumaramangalam	**6,393,368**	**3,309,907**	1,065,562	551,651
RE Wade	**467,268**	–	71,212	–
JA Wild	**149,998**	–	25,000	–

CRW Parish is a beneficiary and trustee of several family trusts, which results in a degree of duplication on his interests in the non-beneficial Shares of the Company. The substantial Shareholders interests are also detailed below. Since 30 June 2012 only one purchase of 6,000 shares was made by CRW Parish on 4 July 2012 for his own account. No other changes to the Directors interests occurred before the date of this report or from the year ended 30 June 2012. Of the Shares in issue 33,886,450 or 52.4% (2011: 5,752,084 or 53.4%) are not in public hands at the year ended 30 June 2012.

DIRECTORS’ REPORT *continued*

No Director had a beneficial interest other than those mentioned in Note 21, in any contract that the Company or any of the subsidiary companies were party to during the year. The Group maintains insurance against certain liabilities that could arise from a negligent act or a breach of duty by its Directors and Officers in the discharge of their duties. Details of other risks are reviewed in note 22.

Non-executive Directors
In the opinion of the Board, all non-executive Directors (who are noted below) are independent.

Substantial interests
So far as the Directors are aware, at no time during the year, nor up to the date of this Directors’ report, has any Shareholder, who is not a Director of the Company, held an interest comprising 3% or more of the issued capital of the Company with the exception of those Shareholders disclosed below:

Shareholders	%	Shares	Beneficial	Non-beneficial
Mrs SW Kumaramangalam	15.00	9,703,275	6,393,368	3,309,907
Mr WB & Mrs P Fraser	18.45	11,932,545	45,090	11,887,455
JM Finn Nominees Limited	18.01	11,646,410	–	11,646,410
Mr G & Mrs CW Zegos	11.84	7,656,042	4,272,190	3,383,852

Mrs SW Kumaramangalam, Mr WB & Mrs P Fraser, JM Finn Nominees Limited and Mr G & Mrs CW Zegos are trustees of several family trusts, which results in a degree of duplication of their interests in the non-beneficial interests in the Shares of the Company.

Remuneration Committee
The Remuneration Committee of the Company is comprised of three independent non-executive Directors: Messrs. SB Kumaramangalam, RE Wade and JA Wild (Chairman). The Remuneration Committee of the Company was formed by a Board resolution on 17 September 2009.

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Group’s framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the executive and non-executive Directors, including performance-related bonus schemes, pension rights and compensation payments.

Directors’ emoluments
The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2012:

	Fees £	Salary & other £	Performance Bonus £	Benefits in kind £	Pension contribution £	Total £
Executive						
CRW Parish (Chairman)*	–	255,000	259,460	1,790	50,000	566,250
Non-executive						
SB Kumaramangalam	9,600	–	–	–	–	9,600
RAR Evans	18,000	–	–	–	–	18,000
RE Wade*	27,478	–	–	–	–	27,478
JA Wild*	33,944	–	–	–	–	33,944
Total	89,022	255,000	259,460	1,790	50,000	655,272

* The Directors remuneration includes fees received from the Company and the UK subsidiary.

DIRECTORS' REPORT *continued*

The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2011:

	Fees £	Salary & other £	Performance Bonus £	Benefits in kind £	Pension contribution £	Total £
Executive						
CRW Parish (Chairman)*	–	248,920	437,750	1,342	30,000	718,012
Non-executive						
SB Kumaramangalam	8,800	–	–	–	–	8,800
RAR Evans	16,500	–	–	–	–	16,500
RE Wade*	26,178	–	–	–	–	26,178
JA Wild*	32,694	–	–	–	–	32,694
Total	84,172	248,920	437,750	1,342	30,000	802,184

* The Directors remuneration includes fees received from the Company and the UK subsidiary.

The Chairman's emoluments for the year ended 30 June 2012 are detailed in the Director's remuneration table. The benefit in kind relates to payments made for medical insurance. The performance bonus is conditional upon a dividend of at least 1 pence per Share being paid. A performance bonus is payable at a maximum rate of 5% of the realised profits after current tax, less a return of 20% on the issued capital of £646,573. The Remuneration Committee recommended, and the Directors agreed that a performance bonus of £259,460 (2011: £437,750) is payable for the year ended 30 June 2012. No Director waived emoluments for either of the years ended 30 June 2012 or 30 June 2011.

Directors' pension entitlement
The Group has made the final contribution to a Self Investing Personal Pension Plan for CRW Parish during the year. The final premium of £50,000 (2011: £30,000) was paid during the year ended 30 June 2012.

Independent auditor
PricewaterhouseCoopers CI LLP were re-appointed during the year as the Company's auditor and have indicated their willingness to continue in office as Auditor. In accordance with The Companies (Guernsey) Laws, 2008, a resolution for the re-appointment of PricewaterhouseCoopers CI LLP as auditor of the Company is to be proposed at the Annual General Meeting.

Corporate Governance Assurance Statement
On 30 September 2011 the Guernsey Financial Services Commission (the 'Commission') issued the Finance Sector Code of Corporate Governance. This Code comprises Principles and Guidance, and provides a formal expression of good corporate practice against which shareholders, boards and the Commission can better assess the governance exercised over companies in Guernsey's finance sector.

The Directors have considered the effectiveness of the corporate governance practices of the Company. In the context of the nature, scale and complexity of the Company, the Directors are satisfied with the degree of compliance with the Principles set out in the Finance Sector Code of Corporate Governance as issued by the Commission.

Performance Evaluation
The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis, and believes that the mix of skills, experience and length of services are appropriate to the requirements of the Company. In addition the Board conducted an evaluation of the Chairman and Investment Manager and was completely satisfied with the conduct of the Chairman and his performance as Investment Manager.

By order of the Board
Dexion Capital (Guernsey) Limited
Company Secretary
8 October 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare consolidated Financial Statements for each financial year. Under that law they have elected to prepare the consolidated Financial Statements in accordance with International Financial Reporting Standards and applicable law.

The consolidated Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated Financial Statements; and
- prepare the consolidated Financial Statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The consolidated financial statements are published on the Group's website www.eloro.com. The maintenance and integrity of the website is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of the consolidated financial statements may differ from legislation in other jurisdictions.

The Board of Directors approved and authorised the Group's Financial Statements for issue on 8 October 2012.

The Directors have availed themselves of Section 244(5) of The Companies(Guernsey) Law 2008 and have presented consolidated financial statements of the Company and not the individual stand alone financial statements.

HISTORICAL FINANCIAL DATA

	THE EXPLORATION COMPANY plc			EL ORO MINING AND EXPLORATION COMPANY plc		
Period[4] £	Profit/(loss) before tax £	Issued capital £	Net assets at fair value (IFRS) £	Profit/(loss) before tax £	Issued capital £	Net assets at fair value (IFRS)
1950	2,991	157,777	107,261	1,644	292,202	160,047
1951	22,951	157,777	129,574	24,655	292,202	184,725
1952	6,104	157,777	136,398	1,363	292,202	186,686
1953	29,756	157,777	166,518	36,925	166,972	22,933
1954	47,134	157,777	237,627	60,470	166,972	319,256
1955	13,230	320,634	552,845	7,318	185,922	353,165
1956	20,600	320,634	580,245	17,533	186,972	375,284
1957	13,851	375,000	624,903	3,754	236,972	404,899
1958	98,297	375,000	836,633	56,519	236,972	544,862
1959	90,125	375,000	1,294,943	65,846	300,000	1,021,310
1960	72,850	400,000	1,185,437	53,327	300,000	855,431
1961	97,029	600,000[1]	1,261,848	44,870	450,000	892,466
1962	120,509	600,000	1,336,996	56,125	450,000	962,447
1963	136,085	600,000	1,651,454	92,859	450,000	1,188,391
1964	126,781	600,000	2,008,771	86,576	450,000	1,474,511
1965	157,264	600,000	2,258,181	104,685	450,000	1,651,027
1966	126,317	600,000	2,084,257	89,228	450,000	1,516,048
1967	184,054	600,000	3,256,899	139,202	450,000	2,492,348
1968	280,914	600,000	4,773,113	164,591	450,000	3,722,257
1969	176,789	600,000	5,194,065	132,968	450,000	3,963,291
1970	210,573	600,000	4,190,789	167,726	450,000	3,213,921
1971	378,863	600,000	4,413,814	322,473	450,000	3,315,685
1972	274,672	600,000	5,655,161	234,987	450,000	4,254,626
1973	256,814	600,000	4,029,713	176,011	450,000	3,210,061
1974	231,264	602,646[3]	3,875,955	182,673	451,113	3,052,782
1975	443,110	602,646	5,091,975	355,833	451,113	3,821,366
1976	559,879	602,646	4,393,499	456,732	451,113	3,377,804
1977	702,992	602,646	5,922,335	544,471	451,113	4,257,605
1978	780,287	602,646	6,417,405	566,937	451,113	4,589,108
1979	711,962	602,646	7,673,981	551,087	451,113	5,654,320
1980	947,985	602,646	9,709,921	739,037	451,113	7,147,841
1981	1,032,601	602,646	9,554,229	745,668	451,113	6,699,295
1982	926,667	602,646	11,463,211	739,873	451,113	7,881,703
1983	1,295,151	602,646	14,682,943	1,040,894	451,113	11,040,026
1984	1,111,935	602,646	15,440,172	882,791	451,113	11,504,985
1985	1,225,978	602,646	15,233,310	1,011,557	451,113	11,586,431
1986	1,451,334	602,646	20,238,397	1,185,397	451,113	15,823,277
1987	1,859,803	602,646	24,851,990	1,447,315	451,113	19,710,991
1988	2,189,351	602,646	26,606,199	1,712,278	451,113	19,741,508
1989	2,879,131	602,646	32,328,183	2,567,259	451,113	25,448,777
1990	2,961,319	602,646	26,581,117	2,382,239	451,113	20,418,932
1991	2,075,120	602,646	29,887,400	1,666,051	451,113	25,423,822
1992	2,481,252	602,646	30,588,772	1,935,122	451,113	26,944,101
1993	1,722,587	602,646	40,510,012	1,546,932	451,113	36,927,938
1994	2,296,357	602,646	38,468,620	1,884,186	451,113	31,414,422
1995	2,331,234	602,646	42,692,619	1,962,909	451,113	40,609,985
1996	3,074,173	602,646	49,066,701	2,746,454	451,113	41,950,851
1997	2,204,613	602,646	50,279,497	1,840,458	451,113	45,087,651
1998	5,406,542	602,646	44,128,780	4,271,443	451,113	35,861,218
1999	5,621,549	602,646	51,650,997	4,036,102	451,113	44,300,703
2000	1,690,006	602,646	47,333,362	2,076,730	451,113	43,656,695
2001	(75,552)	602,646	40,924,033	1,921,428	451,113	37,942,826
2002	2,049,124	602,646	37,353,176	1,434,175	451,113	36,830,273

HISTORICAL FINANCIAL DATA *continued*

EL ORO AND EXPLORATION COMPANY LIMITED
(formerly: "The Exploration Company plc" and also "El Oro and Exploration Company plc")

Period[4]	Profit/(loss) before tax £	Issued capital £	Net assets at fair value (IFRS) £
2002	2,321,415	597,146	52,724,264[1]
2003	3,938,278	597,146	64,963,076[1]
2004	3,005,700[2]	592,045	67,905,581
2006	12,018,986	541,785	72,214,062
2007	5,427,232	538,825	103,451,384
2008	(543,872)	538,825	87,484,641

EL ORO LIMITED

Period	Profit/(loss) before tax £	Issued capital £	Net assets at fair value £
2009	(30,381,174)	538,825	54,480,674
2010	23,397,408	538,825	73,543,776
2011	30,363,697	538,825	103,239,075
2012	(21,782,577)	646,573	79,626,616

During 2009, El Oro Ltd completed a Scheme of Arrangement with El Oro and Exploration Company plc, with a share exchange offer of one new El Oro Ltd share for each El Oro and Exploration Company plc stock unit of 5 pence. The above table for The Exploration Company plc and El Oro Mining and Exploration Company plc indicates the progress of the two companies from 1950 to 2002 applying the accounting principles adopted throughout that period. The table for El Oro and Exploration Company plc indicates the progress for the Group since then, applying the currently adopted accounting principles as outlined in the notes to the Financial Statements, note 1. Since, 2002 the net assets at fair value (IFRS) is calculated from the IFRS Financial Statements of the parent Company as follows:

	30 June 2012 £	30 June 2011 £
Net assets	**76,305,325**	98,171,099
Add: deferred tax	**3,995,254**	5,757,913
Less: tangible assets	**(673,963)**	(689,937)
Net assets at fair value	**79,626,616**	103,239,075

The figures for El Oro Ltd during 2008/2009 include the subsidiaries financials from July 2008 to March 2009 when the Group reconstruction occurred.

The amounts paid or pending since 1958:

Dividends	35,717,643
Taxation	17,637,475
	53,355,076

[1] Bonus issue of one unit for every two units held.
[2] From 2004 the Group accounts have been prepared under IFRS and the measurement of net assets at fair value or up to and including 2004 had excluded the potential charge to corporation tax for the excess net value over book cost, while for 2005 this charge is included.
[3] 52,925 stock units issued to members exercising their options to take additional stock units in lieu of cash dividend.
[4] To 2004 the period end of the Group was the twelve months to 31 December. The period for 2006 relates to the eighteen months to 30 June 2006.

From 1970 to 2002 the accounts incorporate the Company's share of the result of their associated undertakings.
The middle market price per stock unit at 30 June 2011 was 625.0 pence and at 30 June 2010 was 425.0 pence (which with 1 for 2 bonus in 1961 equals 303.0 pence) compared with a middle market price of 2.0 pence per stock unit at 31 December 1950.

INDEPENDENT AUDITORS REPORT

to the Members of EL ORO Ltd

Report on the financial statements

We have audited the accompanying consolidated financial statements (the "financial statements") of El Oro Ltd which comprise the consolidated balance sheet as of 30 June 2012 and the consolidated statement of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2012, and of the financial performance and cash flows of the Company for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises that referred to in the Contents page.

In our opinion the information given in the Directors' report is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognized Auditors
Guernsey, Channel Islands
8 October 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months to 30 June 2012

	Notes	**30 June 2012 £**	30 June 2011 £
Revenue	2 a	**2,103,622**	2,033,240
Net (losses) / gains on investments	2 b	**(20,131,870)**	31,617,492
Total (loss) / income		**(18,028,248)**	33,650,732
Expenses	3	**(2,350,838)**	(2,150,892)
(Loss) / profit before finance costs and taxation		**(20,379,086)**	31,499,840
Finance costs			
Interest expense		**(1,403,491)**	(1,136,143)
(Loss) / profit before taxation		**(21,782,577)**	30,363,697
Taxation	5	**2,060,104**	(2,020,092)
(Loss) / profit for the financial year and total comprehensive income	6	**(19,722,473)**	28,343,605
Basic (loss) / earnings per share	6	**(30.5p)**	263.0p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Notes	**30 June 2012 £**	30 June 2011 £
Opening capital and reserves attributable to equity holders		**98,171,099**	70,355,851
Total comprehensive income: (loss) / profit for the financial year		**(19,722,473)**	28,343,605
Increase of equity on bonus issue		**107,748**	–
Dividends paid (net)	4	**(2,251,049)**	(528,357)
Closing capital and reserves attributable to equity holders	18	**76,305,325**	98,171,099

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

The Group does not have any “Other Comprehensive income” and hence the “(Loss) / profit for the financial year” as disclosed above is the same as the Group’s Total Comprehensive Income.

CONSOLIDATED BALANCE SHEET
as at 30 June 2012

	Notes	**30 June 2012** **£**	30 June 2011 £
Non-current assets			
Property, plant and equipment	7	**673,963**	689,937
		673,963	689,937
Current assets			
Trade and other receivables	9	**2,162,810**	508,323
Investments held at fair value through profit or loss	10	**108,474,423**	132,027,093
Cash and cash equivalents	15	**490,581**	580,492
Total current assets		**111,127,814**	133,115,908
Current liabilities			
Borrowings	11	**4,093,416**	8,305,528
Trade and other payables	12	**1,068,166**	756,064
Financial liabilities at fair value	11	**6,339,616**	776,666
Current tax liabilities	13	**–**	38,575
Total current liabilities		**11,501,198**	9,876,833
Net current assets		**99,626,616**	123,239,075
Non-current liabilities			
Borrowings	11	**20,000,000**	20,000,000
Deferred tax liabilities	14	**3,995,254**	5,757,913
Total non-current liabilities		**23,995,254**	25,757,913
Net assets		**76,305,325**	98,171,099
Capital and reserves attributable to equity holders			
Share capital	17	**646,573**	538,825
Reserves	18		
Share premium		**6,017**	6,017
Capital redemption reserve		**347,402**	347,402
Merger reserve		**3,564**	3,564
Retained earnings		**75,301,769**	97,275,291
Total equity		**76,305,325**	98,171,099
Net asset value per share (pre-share split)	19	**n.a.**	911.0 p
Net asset value per share (post-share split)	19	**118.0 p**	151.8 p

The Board of Directors approved and authorised the Group's financial statements for issue on 20 September 2012.

Signed on behalf of the Board by:

CRW Parish
Chairman and Managing Director

JA Wild
Director

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2012

	Notes	**30 June 2012** **£**	30 June 2011 £
Operating activities			
Net (loss) / profit before tax		**(21,782,577)**	30,363,697
Adjustments for:			
Depreciation		**31,434**	37,174
Foreign exchange gains		**(605,338)**	(620,903)
Net unrealised losses / (gains) on fair value investments through the profit or loss		**25,725,755**	(22,199,717)
Finance costs		**1,403,491**	1,136,143
Cash flow from operations before changes in working capital		**4,772,765**	8,716,394
Movement in financial assets at fair value through the profit or loss		**3,896,628**	(10,257,394)
(Increase) / decrease in trade and other receivables		**(1,324,304)**	87,921
Increase / (decrease) in trade and other payables		**316,271**	(167,840)
Cash flow from / (used in) operations		**7,661,360**	(1,620,919)
Income taxes paid		**(50,609)**	(1,430,559)
Cash flow from / (used in) operating activities		**7,610,751**	(3,051,478)
Investing activities			
(Purchase) / sale of property, plant and equipment		**(15,460)**	6,826
Cash flow (used in) / from investing activities		**(15,460)**	6,826
Financing activities			
Interest paid		**(1,407,660)**	(1,075,078)
Net dividends paid to Shareholders		**(2,251,049)**	(528,357)
Increased bank loan		**–**	5,000,000
Cash flow (used in) / from financing activities		**(3,658,709)**	3,396,565
Net increase in cash and cash equivalents		**3,936,582**	351,913
Cash and cash equivalents at 30 June	15	**(7,725,036)**	(8,147,925)
Effect of foreign exchange rate changes		**185,619**	70,976
Cash and cash equivalents at 30 June	15	**(3,602,835)**	(7,725,036)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Group's accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect at the date of this document.
The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of financial instruments. The principal accounting policies are set out below.

1.2 Basis of consolidation

The consolidated financial statements are for the Company and its wholly owned UK subsidiaries group which are controlled by the Company. All subsidiaries were wholly owned throughout the financial year. Inter-company balances and income and expenses arising from inter-company transactions, are eliminated in the preparation of the consolidated financial statements.

1.3 Financial assets and financial liabilities held at fair value through profit or loss

All investments (including securities, interest rate swaps, commodity forward contracts and contracts for difference) are designated upon initial recognition as held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The fair value of the financial instruments (securities, interest rate swaps, commodity forward contracts and contracts for difference) in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated statement of comprehensive income as "Net gains/(losses) on investments".

Not withstanding the above, the variety of valuation bases adopted and quality of management information provided by the underlying investee companies means there are inherent difficulties in determining the value of these investments. Amounts realised on the sale of those investments will differ from the values reflected in these financial statements and the difference may be significant.

Derivative agreements have been entered into for varying purposes as follows:

- Interest rate SWAPS for the purpose of fixing the interest rate payable on the Group's funding;
- Commodity forward (1 year) contracts in precious metals such as gold bullion to gain direct exposure to the commodity price; and
- Contracts For Difference ("CFDs") for the purpose of gearing into equities and generating trading income.

Derivatives are categorised as financial assets or financial liabilities held for trading.

None of these derivatives are classified as a hedge in a hedging relationship.

From time-to-time the Group makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss. Further details on the derivative agreements are to be found in Note 11.

1.4 Financial liabilities

Trade payables and other monetary liabilities that are short term in nature are initially recognised at fair value and subsequently measured using the amortised cost method.

Borrowings that are initially recognised at the amount advanced net of transaction costs that are directly attributable to the issue of the instrument. These interest bearing liabilities are subsequently measured at the amortised cost using the effective interest rate method to ensure that any interest expense over the period is at a constant rate on the balance of the liability carried in the balance sheet. In this context, "interest expense" includes initial transaction costs and premiums payable on redemption, plus the interest or coupon payable while the liability is outstanding.

1.5 Revenue

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income on an ex-dividend basis. Interest on fixed interest debt securities is recognised using the effective interest rate method. Bank deposit interest is recognised on an accruals basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.6 Expenses

All expenses and interest payable are accounted for on an accruals basis.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.8 Foreign currency

The Group’s investors are mainly from the United Kingdom, with the shares denominated in British Pounds. The performance of the Group is measured and reported to the investors in British Pounds.

The Directors consider the British Pound to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The consolidated financial statements are presented in British Pounds, which is the Group’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities and equity investments held at fair value through profit or loss that are denominated in foreign currency are translated into the British Pounds using the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses arising from translation are included in the consolidated statement of comprehensive income.

1.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1.10 Trade and other receivables

Trade and other receivables are short term in nature and carry no interest. These amounts are recognised initially at fair value and subsequently measured at amortised cost; any difference is recognised in the statement of comprehensive income.

1.11 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of items of property, plant and equipment.

The rates of depreciation are as follows:
- Freehold property 2%
- Paintings 2%
- Computer equipment 33%
- Fixtures and fittings 33%

Residual values and useful lives are reviewed each year end and adjusted as required. Where an asset’s carrying amount is greater than its estimated recoverable amount, it is immediately written down to its estimated recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.12 Equity

When the Company repurchases share capital that is recognised as equity, all consideration paid, including any directly attributable cost, is recognised as a change in equity.

Equity dividends are recognised when they are paid, final dividends are authorised for payment by shareholders at the Annual General Meeting, interim dividends are authorised for payment by Board resolution.

1.13 Segmental reporting

The Group adopted IFRS 8 'Operating Segments' for the first time in 2010, replacing the previous reporting under IAS 14 'Segment Reporting'. Under IFRS 8, operating segments are considered to be the components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker has been identified as the Managing Director (with oversight from the Board).

The Directors are of the opinion that the Group has two operating segments, being the parent company El Oro Ltd, which has the objective of value and growth; holding stocks selected in pursuit of a blended value / growth investment style that seeks to identify companies with good growth prospects and which have not yet been fully recognised and priced into the market. While the subsidiary El Oro and Exploration Company Limited has an income portfolio with a focus on stocks in relatively mature sectors (e.g. some, but not all, brewing, utility, and mining stocks) which are typically characterised by high yields. An analysis of financial results and balances by business segment is set out in note 24. The amounts presented for each segment are based upon the accounting policies adopted in the Group Financial Statements.

Discrete financial information for these segments is reviewed regularly by the Chairman and Managing Director who allocates resources and the Board who oversees the Chairman and Managing Director's performance.

In line with IFRS 8, additional disclosure by geographical segment has been provided in note 24.

Further analyses of expenses, investment gains or losses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

1.14 Key estimates and assumptions

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments. These are valued in accordance with the techniques set out in note 1.3.

At the year end, unquoted investments represented 21.3% of net assets (2011 = 18.4% of net assets).

1.15 Pension costs

The Group previously contributed to Self Investing Personal Pension plans for CRW Parish, with contributions recognised when payable. These contributions were last paid during the year and no future payments are envisaged.

1.16 Standards, amendments and interpretations becoming effective in the current financial year adopted by the Group:

IFRS 1 (Amendment), requires entity's to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. Additionally, it requires tax associated with items presented before tax to be shown separately for each of the two groups of OCI items.

Standards, amendments and interpretations becoming effective in the next financial year and which are relevant to the Group:

No changes that are applicable and have a material effect on the El Oro Group become effective in the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.16 Standards, amendments and interpretations becoming effective in the current financial year adopted by the Group: *continued*

Standards, amendments and interpretations becoming effective in the future financial years:

IFRS 9 (Replacement), replaces those parts of IAS39 Financial Instruments: Recognition and Measurement relating to the classification, measurement and derecognition of financial assets and liabilities. Requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instrument. The requirements followed by the Group will not be much changed.

IFRS 13, this outlines a single IFRS framework for the measurement of fair value and the related disclosure requirements. The amendment will enhance the disclosure requirements in relation to IFRS 13 and will have a small impact on the Group's financial statements.

2. INVESTMENT INCOME

	30 June 2012	30 June 2011
	£	£
a. **Revenue analysis**		
Dividends from investments	**2,099,545**	2,027,585
Other income	**4,077**	5,655
	2,103,622	2,033,240
b. **Net (losses) / gains on investments**		
Net unrealised (losses) / gains on fair value of investments through the profit or loss	**(25,725,755)**	22,199,717
Net realised gains on fair value of investments through the profit and loss	**4,988,547**	8,796,872
Net foreign exchange gains	**605,338**	620,903
Net (losses) / gains on investments	**(20,131,870)**	31,617,492

The 'Net unrealised (losses) / gains on fair value investments through the profit or loss' has a foreign exchange component that changed by negative £2,024,337 during the financial year (2011: positive £1,928,610).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. EXPENSES

	30 June 2012 £	30 June 2011 £
Employment costs		
Wages and Salaries	**1,337,375**	862,283
Social Security costs	**83,886**	67,258
Pension costs	**50,000**	30,000
	1,471,261	959,541
Benefits in kind included within employment costs	**1,790**	1,342

	30 June 2012 £	30 June 2011 £
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of parent company and consolidated financial services	**75,000**	98,700
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**78,048**	37,600
	153,048	136,300

	30 June 2012	30 June 2011
Monthly average staff numbers (including executive Director)		
Investing / research	**2**	2
Administration	**4**	4
	6	6

Full details of the fees and emoluments for each Director are provided in the Directors' report on pages 9 and 10.

4. DIVIDENDS

	Paid during period to	
	30 June 2012	30 June 2011
Final dividend of 20.0 pence (2011: 5.0 pence) paid per ordinary Share	**2,155,300**	538,825
Bonus shares issued 1:5	**107,749**	–
Dividends unclaimed after 12 years	**(12,000)**	(10,468)
Net dividends	**2,251,049**	528,357

Dividends paid and proposed
The Directors approved a dividend of 3.5 pence per Share (2011: 20.0 pence per Share) totalling £2,263,007 (2011: £1,293,180). Dividends are accounted for when paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION

5.1 Local tax – Guernsey

The Company is resident for tax purposes in Guernsey. The Company is exempt from Guernsey income tax under The Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 and is charged an annual exemption fee of £600.

5.2 Foreign tax – United Kingdom

The Company's subsidiaries are resident for tax purposes in the United Kingdom.

	30 June 2012	30 June 2011
	£	£
Analysis of tax charge		
Current tax		
UK corporation tax on (losses) / profits for the year	**(280,182)**	669,802
Adjustment in respect of prior year	**(24,747)**	–
Overseas tax charge	**7,484**	–
Total current tax	**(297,445)**	669,802
Deferred tax		
Origination and reversal of timing differences	**(1,762,659)**	1,350,290
Total deferred tax	**(1,762,659)**	1,350,290
Tax on profit from ordinary activities	**(2,060,104)**	2,020,092

Factors affecting tax charge

The tax assessed is higher (2011: lower) than the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%).

	30 June 2012	30 June 2011
The differences are explained below		
(Loss) / profit on ordinary activities before tax	**(21,782,577)**	30,363,697
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	**(5,555,204)**	8,350,136
Effects of		
Expenses not deductible for tax	**90,303**	26,782
Income not subject to tax	**3,803,323**	(5,945,919)
Tax rate differences	**(381,263)**	(410,907)
Depreciation in excess of capital allowances	**7,484**	–
Adjustments in respect of prior year	**(24,747)**	–
Total tax charge for the year	**2,060,104**	2,020,092

The Group anticipates claiming capital allowances in excess of depreciation in future periods reversing the position previously where depreciation has been higher than capital allowances.

6. (LOSS) / EARNINGS PER SHARE

	30 June 2012	30 June 2011
	£	£
(Loss) / profit after tax	**(19,722,473)**	28,343,605
Weighted average number of shares in basic EPS	**64,657,340**	10,776,501
(Loss) / earnings per share (basic)	**(30.5p)**	263.0p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Fixtures, fittings paintings and computer equipment £	Total
Year ended 30 June 2011			
At cost	745,503	157,493	902,996
Accumulated depreciation	(111,536)	(101,523)	(213,059)
Net book value	**633,967**	**55,970**	**689,937**
Year ended 30 June 2012			
Opening net book value	633,967	55,970	689,937
Addition	–	14,800	14,800
Depreciation for year	(14,910)	(16,524)	(31,434)
Depreciation written back on disposal	–	660	660
Closing net book value	**619,057**	**54,906**	**673,963**

8. SUBSIDIARY COMPANIES

The Company held the entire issued share capital and voting power of the following companies all of whom are registered in England and Wales and operate in England as at 30 June 2012.

	Number of shares	Nominal value	Net assets £'000	(Loss) / profit before tax £'000	Book value £
Investment companies					
El Oro and Exploration Company Limited	10,776,501	ord. 5p shares	13,372	(6,867)	538,825
Investigations and Management Limited	5,000	ord. £1.00 shares	69	3,531	3,080
General Explorations Limited	1,000,000	ord. 5p shares	50	15	2,747
Dormant companies					
El Oro Mining and Exploration Company Limited	4,511,135	ord. 10p shares	454	–	456,110
Group Traders Limited	30,040	ord. 5p shares	2	–	37,500

9. TRADE AND OTHER RECEIVABLES

	30 June 2012 £	30 June 2011 £
Other receivables	**2,162,810**	508,323
	2,162,810	508,323

Trade receivables are settled on the requirements of the relevant stock exchange, which is normally within one week of trade date. Other receivables are mainly accrued dividend income, normally due within a 30 day period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

In accordance with IFRS 7 the Company has classified for disclosure purposes fair market measurements in relation to the degree of reliability of these measurements. The classification uses a hierarchy that reflects the significance of the inputs used in making the measurements, using 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 asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data. Level 3 includes private equity and corporate debt.

The valuation techniques used by the company are explained in note 1.3.

There have been no transfers during the year between the levels. A reconciliation of fair value measurements in level 3 is set out below.

	30 June 2012 £	30 June 2011 £
Level 1 - quoted prices (unadjusted)	**85,441,222**	109,689,942
Level 2 - observable price inputs	**6,873,833**	7,423,543
Level 3 - unobservable price inputs	**16,159,368**	14,913,608
	108,474,423	132,027,093

Reconciliation of fair value measurements in level 3	**30 June 2012 £**	30 June 2011 £
Opening balance	**14,913,608**	11,451,854
Acquisitions	**1,020,500**	1,664,756
Disposal proceeds	**(416)**	(2,476,992)
Transfers out of Level 3	**(561,357)**	(156,685)
Total gains / (losses) included in the Consolidated Statement of Comprehensive Income		
on assets sold	**(11)**	(157,299)
on assets held at the year end	**787,044**	4,587,974
Closing balance	**16,159,368**	14,913,608

11. FINANCIAL LIABILITIES – BORROWINGS AND DERIVATIVES

	30 June 2012 £	30 June 2011 £
Current		
Bank overdrafts	**4,093,416**	3,123,609
Amounts due to brokers	–	5,181,919
	4,093,416	8,305,528
Financial liabilities at fair value	**6,339,616**	776,666
	10,433,032	9,082,194

	30 June 2012 £	30 June 2011 £
Non-current		
Bank loan	**20,000,000**	20,000,000
	20,000,000	20,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. FINANCIAL LIABILITIES – BORROWINGS AND DERIVATIVES *continued*

The subsidiary company El Oro and Exploration Company Limited has overdraft facilities that are repayable on demand and additionally a bank loan that is not recallable for five years with Lloyds TSB plc. These facilities are comprised of a fully drawn loan of £20 million, with a further £5 million for working capital and liquidity management. There is a registered charge on all of the assets in favour of Lloyds TSB plc, the Group's bankers, as security for all liabilities and obligations owed by the Group to the bank.

Financial instruments at fair value comprise short derivative financial instruments; this category is carried in the balance sheet at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

The subsidiary company El Oro and Exploration Company Limited has a line of credit for commodity forward contracts with Lloyds TSB plc up to £5.0 million. Commodity forward positions are recognised as an investment in the consolidated financial statements under IFRS when held, 30 June 2012 £2,548,288 (30 June 2011: £nil).

There is a general lien on assets in favour of HSBC Bank plc as security for any liabilities and obligations owed by the Group to the bank.

Within the amounts due to brokers, there is a lien on all assets held in favour of M F Global Limited, as brokers, as security for all liabilities and obligations owed in respect of contracts entered into by the Group to M F Global Limited. The securities placed with M F Global Limited as collateral for Group CFD trading are valued at market rates.

	30 June 2012	30 June 2011
	£	£
Collateral placed with broker for financial liabilities at fair value		
M F Global Limited	–	2,397,679

12. TRADE AND OTHER PAYABLES

	30 June 2012	30 June 2011
	£	£
Other payables	**200,185**	23
Accruals	**644,428**	563,663
Unclaimed dividends	**223,553**	192,378
	1,068,166	756,064

13. CURRENT TAX LIABILITIES

	30 June 2012	30 June 2011
	£	£
Corporation tax	–	38,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. DEFERRED TAX LIABILITIES

	30 June 2012	30 June 2011
	£	£
Opening balances at 1 July	**5,757,913**	4,407,623
Net (losses) / gains in investments	**(1,738,425)**	1,350,290
Depreciation under capital allowances	**(24,234)**	–
Closing balances at 30 June	**3,995,254**	5,757,913

Deferred tax is calculated in full on temporary differences under the liability method using an average tax rate of 25.5% (2011: 26%) and is calculated at the rate at which the deferred tax is expected to reverse.

The estimated timing for the recovery or settlement of the deferred tax asset or liability is likely to be after more than 12 months owing to the nature of the assets on which the provision is determined.

15. CASH AND CASH EQUIVALENTS

	30 June 2012	30 June 2011
	£	£
Cash available on demand	**490,581**	580,492
Bank overdraft	**(4,093,416)**	(3,123,609)
Amounts due to brokers	**–**	(5,181,919)
	(3,602,835)	(7,725,036)

16. COMMITMENTS AND CONTINGENT LIABILITIES

Within the normal course of business, the Group has committed to subscribe for securities, as at 30 June 2012 this commitment totalled £63,767 (2011: £561,808).

In the normal course of business, the Group had pledged security investments as collateral at 30 June 2012 with a value of £nil (2011: £2,397,679).

17. SHARE CAPITAL

	El Oro Ltd		El Oro Ltd	
	30 June 2012 No.	**30 June 2012 £**	30 June 2011 No.	30 June 2011 £
Authorised	**unlimited**	**unlimited**	unlimited	unlimited
Issued and fully paid Shares with no par value	**64,657,340**	**646,573**	10,776,501	538,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EQUITY RESERVES

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2010	538,825	6,017	347,402	3,564	69,460,043	70,355,851
Profit for the year	–	–	–	–	28,343,605	28,343,605
Dividends (net)	–	–	–	–	(528,357)	(528,357)
As at 30 June 2011	538,825	6,017	347,402	3,564	97,275,291	98,171,099

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2011	538,825	6,017	347,402	3,564	97,275,291	98,171,099
Loss for the year	–	–	–	–	(19,722,473)	(19,722,473)
Dividends (net)	107,748	–	–	–	(2,251,049)	(2,143,301)
As at 30 June 2012	646,573	6,017	347,402	3,564	75,301,769	76,305,325

Share premium
The share premium reserve maintains the amount that has been subscribed for share capital in excess of the share capital's par, or nominal value. This reserve relates to the subsidiary companies.

Capital redemption reserve
The capital redemption reserve maintains the par or nominal value amount that is transferred from share capital on the cancellation of issued shares. This reserve relates to the subsidiary companies.

Merger reserve
The Merger reserve was created on 5 September 2003 when merging the Financial Statements from the El Oro Mining Company Limited (formerly plc) and Exploration Company plc, plus the subsequent adjustment on the disposal of Danby Registrars Limited. This reserve relates to the subsidiary companies.

Retained earnings
This reserve maintains the net gains and losses as recognised in the consolidated statement of comprehensive income. The distributable retained earnings for El Oro Ltd is included in the Company's balance sheet and not the Group's Consolidated balance sheet.

19. NET ASSETS PER SHARE

The net assets per Share figure is based on net assets of £76,305,325 (2011: £98,171,099) divided by 64,657,340 (2011: 10,776,501) Shares in issue at the year end.

20. CASH FLOW – MATERIAL NON-CASH ITEMS

The Company received investments with an aggregate value of £nil (2011: £3,983,354) through a dividend-in-specie from El Oro and Exploration Company Limited, there was no cash consideration pursuant to the dividend, nor on acquiring the investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. RELATED PARTY TRANSACTIONS

The Company and its subsidiary companies are related parties; as such, any transactions between these related parties have been eliminated in consolidating the Group's figures.

The compensation payable to Key Management personnel comprised £655,272 (2011: £802,184) paid by the Group to the Directors in respect of services to the Group. Full details of the compensation for each Director are provided in the Directors' report on pages 9 and 10.

During the year the subsidiary company El Oro and Exploration Company Limited purchased goods amounting to £3,559 (2011: £7,515) from Danby Registrars Limited, a company wholly owned by CRW Parish, an executive Director of the Company.

El Oro and Exploration Company Limited owns the UK Group subsidiaries' registered office, 41 Cheval Place.

EW Houston paid accommodation costs to the Company for the use of the property during the year to 30 June 2012, this amounted to £630 (2011: £867). No amounts remain outstanding at the year ended 30 June 2012 (2011: £nil).

22. FINANCIAL INSTRUMENTS AND RISK PROFILE

The Group's financial instruments are contained within its portfolio in investments, derivatives and commodities, cash balances, receivables and payables that arise directly from its operations, such as sales and purchases awaiting settlement, and bank borrowings used to partly finance the Group's operations.

The principal activity of the Group is dealing in investments. Investments in UK companies form the bulk of the portfolio. The Group's main aim is to steadily increase the net asset value and dividend. The Group deals in listed and unlisted investments or other financial instruments, including derivatives and commodities. The Group is exposed to certain inherent risks that could result in either a reduction in the net assets, or a reduction in the profits available for distribution by way of dividends.

The Group finances its operations through retained profits, bank overdrafts and secured borrowings on transactions with brokers.

The Group has little exposure to credit and cash flow risk as a large proportion of its current assets are in readily realisable investments. Unlisted investments in the portfolio may not be immediately or readily realisable, this is generally not significant in normal market conditions as the majority of the Group's investments are listed on recognised stock exchanges and are generally liquid. Hence, liquidity risk is not considered to be significant. The Directors take this risk into account before making such investments and when determining the valuation of these assets. Additionally, the Group takes account of these risks when setting investment policy and making investment decisions, by monitoring economic and market data to minimise the Group's exposure.

Credit risk is the potential exposure of the Group to loss in the event of a non-performing counterparty. The Group manages the credit risk that arises during normal commercial operations, within the guidelines set by the Board. The Group also has credit exposures in financial and specialised markets as a result of dealing in investments and other financial instruments, including derivatives and commodities. The Group controls the related credit risk in financial and specialised markets by only entering into contracts with counterparties who are duly registered securities dealers that are in the Board's estimation, and on the basis of past performance, historically sound and consequently, highly credit-rated.

The contractual maturities of the financial liabilities at 30 June 2012, based on the earliest date on which payment can be required to be made was as follows:

As at 30 June 2012	Repayable on demand £'000	3 months or less £'000	Not more than 1 year £'000	Not more than 5 years £'000	More than 5 years £'000	Total £'000
Current:						
Financial liabilities at fair value through the profit or loss	–	149	420	2,220	5,214	8,003
Overdrafts – due on demand	4,360	–	–	–	–	4,360
Other payables	–	845	–	224	–	1,069
Commodities – forward contracts	–	–	2,503	–	–	2,503
Non-current:						
Bank loan	–	–	–	20,000	–	20,000
	4,360	**994**	**2,923**	**22,444**	**5,214**	**35,935**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

The contractual maturities of the financial liabilities at 30 June 2011, based on the earliest date on which payment can be required to be made as follows:

As at 30 June 2011	Repayable on demand £'000	3 months or less £'000	Not more than 1 year £'000	Not more than 5 years £'000	More than 5 years £'000	Total £'000
Current:						
Financial liabilities at fair value through the profit or loss	–	150	452	2,388	6,533	9,523
Overdrafts – due on demand	8,306	–	–	–	–	8,306
Other payables	–	286	317	192	–	795
Non-current:						
Bank loan	–	–	–	20,000	–	20,000
	8,306	**436**	**769**	**22,580**	**6,533**	**38,624**

Fair values of financial assets and financial liabilities
The purpose of the following table is to summarise the fair and book value of the financial assets together with the financial liabilities. There is no difference between the book value and fair value and this summary excludes short-term receivables and payables. The Group's policy in relation to the role of financial instruments and risk and is consistent with the position throughout the year and also during the comparative period.

	30 June 2012 Fair and book value £	30 June 2011 Fair and book value £
Financial assets		
Cash and bank balances	**2,750,593**	580,492
Financial assets at fair value through profit or loss		
Listed fair value investments	**93,665,816**	113,955,953
Unlisted fair value investments	**12,395,906**	18,071,140
Commodities*	**2,548,288**	–
	111,360,603	132,607,585
Financial liabilities		
Bank loan and overdrafts	**4,093,416**	3,123,609
Amounts due to broker	–	5,181,919
Commodities*	**2,645,692**	–
Derivatives**	**3,693,924**	776,666
	10,433,032	9,082,194
Financial liabilities		
Bank loan	**20,000,000**	20,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

* Commodity forward contracts are contractual obligations to buy or sell the underlying commodity at a future date. When a contract matures, the contractual obligation is to exchange the actual commodity with the counterparty, open positions are closed by entering into an opposite contract to buy or sell prior to a settlement date when physical positions. The commodity forward contracts in the portfolio are valued at market rates and graded as a Level 1 - quoted prices for the IFRS 7 fair value hierarchy. While the corresponding liability would also be graded at Level 1.

At 30 June 2012 the Group held three contracts for a total of 2,500 ounces of Gold with a fair value of £2,548,288. At 30 June 2011 the Group held no contracts for Gold.

** Derivatives comprise three interest rate swaps with Lloyds TSB Bank plc.
(1) £10 million fixed at 4.1% over 20 years;
(2) £5 million fixed at 4.15% over 15 years; and
(3) £5 million fixed at 2.84% over 5 years;

In the event that the swaps had been closed on 30 June 2012 it would have realised a loss of £3,693,924 (2011: loss of £776,666). This amount has been recognised as a current liability under financial assets at fair value through profit or loss in the consolidated financial statements under IFRS. The fair value of the swap on 30 June 2012 is a liability of £3,693,924 (2011: £776,666) based upon the valuation confirmation provided by Lloyds TSB Bank plc.

Fair value is determined from the bid price on the purchase of an investment and the swaps are graded as a Level 3 - inputs for the asset or liability that are not based on observable market data.

The principal risks the Group faces in its portfolio management activities are:
- market price risk (movements in the value of investment holdings caused by factors other than interest rate or currency movement);
- currency risk;
- interest rate risk; and
- liquidity risk.

Market price risk
The Group exposure to market price risk is mainly contained in potential movements in the fair value of its investments, including equities, property and commodities. The Group manages this price risk within its long-term investment strategy to manage a diversified exposure to the market, principally in commodities and the exploration, mining, property and brewing sectors. The Group's investments are not tied to a linear market price risk owing to the portfolio's diversified structure. However, in line with IFRS 7, were each of the equities holdings to experience a 5 percent rise or fall in their fair value this would result in the Group's net asset value and consolidated statement of comprehensive income increasing or decreasing by £5,430,501 or 7.1% (2011: £6,601,355 or 6.7%). Additionally, were each of the commodities holdings to experience a 5 percent rise or fall in their fair value this would result in the Group's net asset value and consolidated statement of comprehensive income increasing or decreasing by £127,414 or 0.17% (2011: £nil or nil%).

The focus is on a macro strategy for the portfolio, which looks at the long-term. However, trading is managed by monitoring on a daily basis company announcements, market information and having regular contact with stockbrokers on the securities and commodities within the Group's investment universe. The Group directors provide additional support in the course of applying their respective knowledge and advice when monitoring the Group's portfolio.

Currency risk
The Group exposure to currency risk comes from investment in listed overseas stock markets, short-term funding from transactions with overseas stockbrokers and also from foreign currency holdings. The Group does not hedge against currency risk, as the relative strength and weakness of a currency is considered when making an investment decision. Receipts in a currency other than British Pounds are converted only to the extent that they are not required for settlement obligations in that currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

	30 June 2012 **£**	30 June 2011 £
Key currencies		
Australian dollar	**15,109,720**	22,391,988
Canadian dollar	**10,613,912**	15,299,231
South African rand	**2,438,274**	3,501,091
US dollar	**9,813,182**	7,613,874
	37,975,088	48,806,184
Other currencies		
Euro	**337,747**	307,701
Hong Kong dollar	–	482
Indonesian rupia	–	29,344
Japanese yen	**259,476**	183,891
Malaysian ringitt	**2,394,654**	2,341,874
Norwegian krone	**75,589**	(14,735)
Swedish krona	**151,754**	111,384
Swiss franc	–	(25,797)
	3,219,220	2,934,144
	41,194,308	51,740,328

It should be noted that for the purposes of IFRS 7, currency risk does not arise from financial instruments that are non-monetary items.

Key currencies	**2012** **£**	2011 £	Change in currency rate (%)	**Effect on net assets 2012 (£'000)**	Effect on net assets 2011 (£'000)
Australian dollar	**15,109,720**	22,391,988	5	**755**	1,119
Canadian dollar	**10,613,912**	15,299,231	5	**531**	765
South African rand	**2,438,274**	3,501,091	5	**122**	175
US dollar	**9,813,182**	7,613,874	5	**491**	381
	37,975,088	48,806,184		**1,899**	2,440
Other currencies	**3,219,220**	2,934,144	5	**161**	147
	41,194,308	51,740,328		**2,060**	2,587

The rise or fall in the value of the British Pound against other currencies by 5.0 % would result in the Group's net assets value and consolidated statement of comprehensive income, which are denominated in currencies other than British Pounds at balance sheet date, increasing or decreasing by £2,060,000 or 2.7% (2011: £2,587,000 or 2.6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

Interest rate risk
The Group has both interest bearing assets and liabilities.

The Group has an indirect exposure to interest rate risk, which results from the effect that changes in interest rates might have on the valuation of investments within the portfolio. The majority of the portfolio's financial assets are equity shares that pay dividends, not interest. Interest is charged on the bank overdraft and other bank loans; the interest rate is over various currency base rates or at rates negotiated with other financial institutions. Borrowing at year-end was £24,093,416 (2011: £28,305,528 (see note 11) and if that level of borrowing were maintained for a year with a 1 percent point change in the interest rate (up or down) net revenue before tax would increase or decrease by £240,934 or 0.3% on net assets (2011: £283,055 or 0.3% on net assets). At a floating interest rate greater than 2.84%, 4.1% or 4.15% the Group will receive payments from the counter party to the interest rate swaps, thereby limiting the Group's interest rate exposure on £20 million to 4.1% on £10 million (20 years), 4.15% on £5 million (15 years) and 2.84% on £5 million (5 years).

The interest rate profile of the Group's financial assets:

	30 June 2012 Fixed rate at fair value £	30 June 2011 Fixed rate at fair value £
Fixed rate notes (assets)	**335,159**	335,648

The effective interest rate on these financial assets is 5.0% (2011: 4.9%).

Liquidity risk
The Group's asset mainly comprises, readily realisable securities which may be sold to meet funding requirements as necessary. However, there is a portion of the securities in the Group's portfolio £16.2 million or 14.9% (2011: £14.9 million or 11.3%) that are unquoted and this might restrict their disposal should the Group wish to realise such securities. The Board monitors the levels of holdings which might affect liquidity owing to a lack of marketability in the securities on a regular basis to ensure that operations are not compromised by a lack of liquidity.

In addition to the financial assets listed above, the subsidiary El Oro and Exploration Company Limited may have open forward contracts in commodities from time to time. These are disclosed in the consolidated balance sheet when held.

Capital management policies and procedures
The Group's capital management objectives are to ensure that it will be able to continue as a going concern, and to maximise the income and capital return to Shareholders through an appropriate balance of equity capital and debt.

The portfolio includes unquoted investments which total £16.2 million or 14.9% (2011: £14.9 million or 11.3%) of the total portfolio on a fair value basis. These unquoted investments are held at valuations determined by the Directors, as discussed in note 1.3.

The Group's capital at 30 June 2011 comprises equity share capital, reserves and debt as shown in the consolidated balance sheet at a total of £100,398,741 (2011: £126,476,627). The Directors review and consider the broad structure of the Group's capital on an ongoing basis. These considerations include:

– Share repurchases, assessed based upon the share prices' discount or premium to net asset value;
– Equity issues; and
– Dividend policy.

Share repurchases
Under the Articles the Company has the authority to purchase the Shares as described in its Admission document. There may be occasions when the Board is precluded from making such purchases as it is in possession of unpublished price sensitive information relating to the Company; generally the Board will consider Share repurchases whenever Shares trade at a sufficient discount to net asset value and the Company has sufficient funds available. Share repurchases are made on market at the market rate provided that price is less than the net asset value per Share. This generally has the effect of increasing the net asset value attributable to the remaining Shares and boosts return for the Company's remaining shareholders.

The Company is subject to externally imposed capital requirements in that as a public company, the Company is required to have a minimum share capital of £50,000 and is only able to pay dividends from distributable reserves.

The Group has complied with the Board's requirements in relation to the Group's policies and processes for managing the Group's capital, which were unchanged from the Group's requirements in the comparative financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. SUBSEQUENT EVENTS

In accordance with IAS 10 Events after the balance sheet date, changes in asset prices after the balance sheet date constitute a non-adjusting event as they do not relate to conditions that existed at the balance sheet date. Accordingly, it is not appropriate to reflect any financial effect of these changes in asset prices in the balance sheet as at 30 June 2012.

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No.2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 26 per cent from 1 April 2011. Further reductions to the main rate were proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. Subsequently, the Chancellor of the Exchequer anounced on 23 March 2011 that there would be a 2 per cent reduction in the UK Corporation tax from 1 April 2011 with a further 1 per cent thereafter until 1 April 2014.

The Board has resolved to pay a final dividend of 3.5 pence for the year-ended 30 June 2012 on 23 November 2012 to Members registered on the books of the Company at the close of business on 2 November 2012.

24. OPERATING SEGMENTS

Operating segments
The Directors consider that the Group has two operating segments, being the Company, El Oro Ltd with a value and growth portfolio that holds stocks selected in pursuit of a blended value / growth investment style primarily for capital appreciation in accordance with the Company's published investment objective, and its wholly owned subsidiary, El Oro and Exploration Company Limited, which focuses on stocks in relatively mature sectors (e.g. some, but not all, brewing, utility, and mining stocks) which are typically characterised by high yields.

Financial information for both segments is reviewed regularly by the Chairman and Managing Director and the Board who allocate resources and assess performance. The amounts presented for each segment are based on the accounting policies adopted in the Group Financial Statements.

Segment financial information

Statement of comprehensive income For the twelve months to 30 June	**Company 30 June 2012 £**	**Subsidiary 30 June 2012 £**	Company 30 June 2011 £	Subsidiary 30 June 2011 £
Revenue	**1,041,449**	**1,058,096**	1,371,034	1,283,109
Net (losses) / gains on investments	**(14,640,636)**	**(5,487,157)**	21,044,534	9,927,356
Total income	**(13,599,187)**	**(4,429,061)**	22,415,568	11,210,465
Expenses	**(1,178,083)**	**(1,220,884)**	(723,063)	(1,403,130)
(Loss) / profit before finance costs and taxation	**(14,777,270)**	**(5,649,945)**	21,692,505	9,807,335
Finance costs:				
Interest expense	**(129,470)**	**(1,274,021)**	(66,194)	(1,069,949)
(Loss) / profit before taxation	**(14,906,740)**	**(6,923,966)**	21,626,311	8,737,386
Taxation	**(7,112)**	**2,067,216**	–	(2,020,092)
(Loss) / profit for the period and total comprehensive income	**(14,913,852)**	**(4,856,750)**	21,626,311	6,717,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. OPERATING SEGMENTS *continued*

Balance sheet at 30 June	**Company 30 June 2012 £**	**Subsidiary 30 June 2012 £**	Company 30 June 2011 £	Subsidiary 30 June 2011 £
Non-current assets				
Property, plant and equipment	**–**	**673,963**	–	689,937
Investment in subsidiary	**538,825**	**–**	538,825	–
	538,825	**673,963**	538,825	689,937
Current assets				
Trade and other receivables	**155,833**	**8,450,651**	55,184	5,864,717
Investments held at fair value	**69,002,973**	**39,471,450**	84,907,197	47,119,896
Cash and bank balances	**252,443**	**238,138**	199,195	381,297
Net current assets	**69,411,249**	**48,160,239**	85,161,576	53,365,910
Current liabilities				
Financial liabilities				
Borrowings	**–**	**4,093,416**	–	8,305,528
Financial liabilities at fair value	**–**	**6,339,616**	–	776,666
Financial liabilities	**–**	**10,433,032**	–	9,082,194
Trade and other payables	**6,503,803**	**1,068,166**	5,184,977	982,665
Current tax liabilities	**–**	**–**	–	38,575
	6,503,803	**11,501,198**	5,184,977	10,103,434
Net current assets	**62,907,446**	**36,659,041**	79,976,599	43,262,476
Non-current liabilities				
Borrowings	**–**	**20,000,000**	–	20,000,000
Deferred tax liabilities	**–**	**3,995,254**	–	5,757,913
	–	**23,995,254**	–	25,757,913
Net assets	**63,446,271**	**13,337,750**	80,515,424	18,194,500
Capital and reserves attributable to equity holders				
Share capital	**646,573**	**538,825**	538,825	538,825
Reserves				
Share premium	**–**	**6,017**	–	6,017
Capital redemption reserve	**–**	**347,402**	–	347,402
Merger reserve	**–**	**3,564**	–	3,564
Retained earnings	**62,799,698**	**12,441,942**	79,976,599	17,298,692
Total equity	**63,446,271**	**13,337,750**	80,515,424	18,194,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. OPERATING SEGMENTS *continued*

In accordance with IFRS 8, geographical information has been disclosed as follows:

Geographical segments
An analysis of the Group's investments held at 30 June by geographical area and the related investment income earned during the year to 30 June is noted below:

	Value of investments at 30 June 2012 £	**Gross income to 30 June 2012 £**	Value of investments at 30 June 2011 £	Gross income to 30 June 2011 £
Africa	**2,438,273**	**97,146**	3,501,091	231,122
Asia	**2,654,130**	**78,397**	2,555,591	61,295
Australia & New Zealand	**15,962,940**	**242,029**	22,391,989	225,914
Europe	**565,090**	**42,378**	378,553	37,059
North America	**20,291,508**	**198,537**	22,913,105	138,616
United Kingdom	**66,562,482**	**1,441,058**	80,286,764	1,333,579
	108,474,423	**2,099,545**	132,027,093	2,027,585

OFFICERS AND ADVISERS

El Oro Ltd (Guernsey)	El Oro and Exploration Company Limited (UK)
DIRECTORS* CRW Parish, M. A. (Oxon) (Chairman and Managing Director) RAR Evans SB Kumaramangalam RE Wade JA Wild * The Directors were all appointed on 9 December 2008.	**DIRECTORS** CRW Parish, M. A. (Oxon) (Chairman and Managing Director) The Hon. Mrs. EC Parish EW Houston DRL Hunting RE Wade JA Wild
REGISTERED OFFICE 1 Le Truchot St Peter Port Guernsey GY1 1WD	**REGISTERED OFFICE** 41 Cheval Place London SW7 1EW Telephone 020 7581 2782 Facsimile 020 7589 0195
SECRETARY Dexion Capital (Guernsey) Limited (appointed 6 May 2011) Capita Financial Administrators (Guernsey) Ltd (resigned 6 May 2011)	**SECRETARY** S McKeane

REGISTRAR – until 4 January 2013	REGISTRAR – from 5 January 2013
Capita Registrars (Guernsey) Limited PO Box 627 St Peter Port Guernsey GY1 4PP	Computershare Investor Services (Guernsey) Limited 3rd Floor NatWest House Le Truchot St Peter Port GY1 1WD
SHAREHOLDER CORRESPONDENCE Capita Registrars The Registry 34 Beckenham Road Beckenham BR3 4TU	**SHAREHOLDER CORRESPONDENCE** Computershare Investor Services (Guernsey) Limited c/o Queensway House Hilgrove Street St Helier JE1 1ES

AUDITOR	STOCKBROKER
PricewaterhouseCoopers CI LLP Chartered Accountants PO Box 321 Royal Bank Place First Floor 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND Channel Islands	JM Finn & Co. 4 Coleman Street London EC2R 5TA

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Company's FOURTH ANNUAL GENERAL MEETING and the ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING OF THE EL ORO GROUP will be held on 15 November 2012 at 41 Cheval Place, London SW7 1EW at 12 noon for the following purposes:

Ordinary resolutions:

1. To receive the Directors' report and the consolidated financial statements for the year ended 30 June 2012.
2. To re-appoint PricewaterhouseCoopers CI LLP as Auditor of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.
3. To authorise the payment of a final dividend of 3.5 pence for the year-ended 30 June 2012.
4. To authorise the Company generally and unconditionally to make market purchases within the meaning of Section 315 of the Companies (Guernsey) Law 2008, the authority for market acquisitions set forth in Article 4.7 of the Company's Articles of Incorporation be approved and restated on the basis that of its Ordinary Shares in the capital of the Company ("Shares") upon or subject to the following conditions:
    a) the maximum number of Shares hereby authorised to be purchased is 6,465,734;
    b) the maximum price at which Shares may be purchased shall be 5% above the average of the middle market quotations for the Shares as taken from the Channel Islands Stock Exchange Daily Official List for the five business days preceding the date of purchase and the minimum price shall be 5 pence per share, in both cases exclusive of expenses; and
    c) the authority to purchase conferred by this Resolution shall expire on the date falling eighteen months after the date of this resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, save that the Company may before such expiry enter into a contract of purchase under which such contract may be completed or executed wholly or partly after the expiration of this authority.

The Board recommends that Shareholders vote in favour of all resolutions.

Registered Office
1 Le Truchot
St Peter Port
Guernsey
GY1 1WD

By Order of the Board
Dexion Capital (Guernsey) Limited
Company Secretary

8 October 2012

Notes

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a Member of the Company. A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude Members from attending or voting at the Meeting, if they so wish. A Member may appoint more than one proxy in relation to a Meeting, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by them. A Member may appoint more than one proxy provided each proxy is appointed to exercise voting rights in respect of a different Share or Shares held by them.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited at the office of the Company's Registrar, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours before the time for holding the Meeting.
3. CREST members may utilise the CREST proxy appointment service by following the directions set out on the form of proxy. Completion and return of the form of proxy will not prevent a Shareholder from subsequently attending the meeting and voting in person if they choose to.
4. A Shareholder must first have their name entered on the register of Members not later than 4.30 p.m. on 13 November 2012.

    Changes to entries in that register after that time shall be disregarded in determining the rights of a Shareholder to attend and vote at such meeting.

FORM OF PROXY

EL ORO Ltd (the "Company")

(Registered in Guernsey no. 49778)

Proxy for the 2012 Annual General Meeting
Before completing this form, please read the explanatory notes below.

I/We (PLEASE USE BLOCK LETTERS) ____________________

of ____________________

a member of El Oro Ltd (the "Company") HEREBY APPOINT the Chairman of the Meeting or (see Note 3) ____________________

____

To be my/our proxy at the Annual General Meeting of the Company to be held on 15 November 2012 at 12 noon and at any adjournment thereof, and to attend, speak and vote for me/us and in my/our name(s) upon all resolutions before such meeting:

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
Resolution 1	☐	☐	☐	Resolution 3	☐	☐	☐
Resolution 2	☐	☐	☐	Resolution 4	☐	☐	☐

As Witness my/our hand(s) this ________ day of ____________________

Signature(s) ____________________

Notes to the Proxy Form:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the Meeting, insert their full name in the space provided. If you sign and return this proxy form with no name inserted in the space provided, the Chairman of the Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU.
5. To direct your proxy how to vote on the resolutions, mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to the Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU; and
   - received by the Registrars, Capita Registrars no later than 48 hours before the time appointed for the meeting.
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. For details of how to change your proxy instructions or revoke your proxy appointment, see the notes to the notice of the meeting.

Please post your completed Form of Proxy in the enclosed reply-paid envelope.