EL ORO LTD

Annual Report
Audited Financial Statements

for the year ended 30 June 2015

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; and
- Investigations and Management Limited.

Dormant subsidiary companies:

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

CONTENTS

DIRECTORS' BIOGRAPHIES

C. Robin Woodbine Parish

Robin Woodbine Parish has been a director of companies in the El Oro Group since 1980. He has a BA Hons and an MA from Oxford University. Mr Parish has been involved in Investment Management since 1971 and resigned as a non-executive director from Troy Resources Limited in April 2015. He is also a director of several private companies.

J. Anthony Wild

Anthony Wild is a chartered accountant with many years' experience in property and investment matters. He is also a non-executive director of James Halstead plc and a director of several private companies. He has been a non-executive director of companies in the El Oro Group since 2001.

Robert E. Wade

Robert Wade, who is resident in the United States, graduated from NYU School of Law in 1971 and was a sole practitioner in Belvidere, New Jersey until 2008. He also has a BSEC from the Wharton School University of Pennsylvania. He has been a non-executive director of companies in the El Oro Group since 2001. He is also a chairman and director of Franklin Mutual Series Funds Inc. and a director of Templeton Funds Inc.

Rupert A.R. Evans

Rupert Evans practised at the Chancery Bar in London for 14 years before moving to Guernsey in 1976 where he practised as a funds and trust lawyer. In 2005 he was appointed by the Department of Commerce and Employment of the States of Guernsey as Chairman of the Trust Law Working Party to review the existing legislation in Guernsey relating to trusts. He was a partner of Ozannes, a leading firm of Channel Islands lawyers from 1982 to 2003 and is currently a consultant to the firm (now Mourant Ozannes). He has been a non-executive director of El Oro Ltd since 2009. He is also a director of a number of investment companies, some of which are listed.

Subbarayan B. Kumaramangalam

Subbarayan B. Kumaramangalam currently runs a portfolio of private investments and has done so for the past 15 years. He has a BSC in Physics from St Xavier's, Bombay and a Diploma in Agriculture from Cirencester College in the UK. He is also a member of the Royal Society of Asian affairs. As an Indian resident investor, he provides insights into this major market as well as the region. He has been a non-executive director of El Oro Ltd since 2009.

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 2015	30 June 2014
Net asset value per share	**80.5 pence**	100.9 pence
Dividends per Share paid to external Shareholders during the year ended	**3.7 pence**	3.6 pence
Total dividends paid to external Shareholders during the year ended	**£2,369,380**	£2,311,631

The Group's net asset value per Share ("NAV") decreased over the year by 20.4% while the FTSE All Share Index was down by 0.8% and the stock price down by 24.7%. These figures are shown over 3, 4 and 5 years in the following table, demonstrating performance against benchmark over the longer term.

	FTSE All Share		Share price		NAV	
	2015	2014	2015	2014	2015	2014
Financial year to 30 June	-0.8%	9.4%	-24.7%	-14.1%	-20.2%	9.2%
3 years	15.3%	41.5%	-47.2%	3.1%	-47.0%	-7.3%
4 years	40.4%	65.7%	-22.3%	16.8%	-26.0%	26.0%
5 years	64.4%	26.1%	-12.0%	-21.9%	0.5%	-12.6%

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. The Company is incorporated and administered 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 64,397,295 (2014: 64,457,305).

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 19 November 2015 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 has resolved to pay a final dividend of 2.405 pence, which is 65% of last year's payment, on 27 November 2015 to Members registered on the books of the Company at the close of business on 30 October 2015. In the light of the Chancellor's attack on Dividends, and the impending removal of tax-credits in April 2016, the Board will review the situation early in 2016, and in the light of the company's progress at that time, consider the payment of an interim dividend prior to the end of the 2015-2016 tax year.

The Board paid a final dividend of 3.7 pence per Share for the year-ended 30 June 2014 on 24 November 2014 to Members registered on the books of the Company at the close of business on 31 October 2014.

The El Oro Group's loss before tax for the year-ended 30 June 2015 was £11,338,951 (profit before tax for the year-ended 30 June 2014 was £8,455,612). The Group's net assets at 30 June 2015 were £51,827,562 or 80.5 pence per Share (30 June 2014 were £65,017,817 or 100.9 pence per Share).

Undoubtedly the patience of shareholders will be wearing thin, contemplating another set of desperately disappointing results: that many in the Mining and Precious metals sector have fared even worse is of scant comfort.

The Board is cognisant of the reality that companies with the heaviest debt burdens have suffered most severely in recent years, amongst which the example of Glencore comes to mind, floated with such a fanfare only three years ago. The vaunted 'Commodities Supercycle' having subsided into a 'Sit up and Beg' bicycle with broken spokes and flat tyres.

We have therefore taken steps to reduce our level of indebtedness, the injudicious legacy of more buoyant times. The current level of borrowings net of cash is around £13 million, well down on last year; it is the Board's current intention that this be reduced to nil over the course of the next 3 years.

Concomitant with the reduction in debt, the Board has also resolved to reduce the total number of stocks to closer to the 100 mark. We have over many years held a larger number of stocks than many of our contemporaries, partly as the legacy of spin-outs and small holdings of Preference shares, quite often acquired many years ago. Some of these produce a steady flow of Preference income, with the minimum of supervision required. It is our intention to retain such holdings, treated as a group, but to reduce the smaller and higher maintenance holdings, where a greater degree of observation is required. A start has been made, and in the course of the last few months, the total number of holdings has been reduced from 370 to around 322. This process is subject to market conditions, and may slow to a trickle at times of market volatility, such as now, but will be pursued over the 3 year period towards its ultimate goal.

In conjunction with these two objectives, the running costs of the business have been and continue to be scrutinised for further savings.

Sadly we have bid farewell to Melwin Mehta after several years of sterling service, but in a more expansive era. In a time of greater austerity, we are obliged to cut our cloth accordingly. Every attempt is being made to reduce costs to a minimum, without cutting into the bone of the company.

Losing a member of the team obviously reduces the number of 'eyes' to monitor the market, but at a time of a very substantial reduction in new issues, with the mining market in particular having lost its appeal for most investors, running a smaller and more compact portfolio should of itself in due course increase the simplicity of the structure, and hence assist in the reduction in costs.

These are the main determinants of our strategy at the current time. We have been grateful to receive suggestions from several shareholders over the past few months, and will endeavour to investigate and implement those ideas that would seem most favourable to the future well-being of your company.

CHAIRMAN'S STATEMENT

Ultimately your company is at the mercy of markets which are currently ill-disposed to many of its traditional areas of investment: this may well change in due course, but an element of patience is needed, whilst our revised policies take effect, and the tide turns for Gold, energy and our other interests.

In the meantime, we will seek out secure sources of income from larger cap stocks, which have previously not been well represented in our portfolio.

It would be too simple to succumb to despair, when so many of the stalwarts of the portfolio remain battered and bowed, and seemingly unresponsive to events, exemplified by the failure of Gold to do more than a hesitant huff: Oil and its producers or explorers, Palm Oil, Gold, Silver, Platinum, most of the Metals, Diamonds, Dairy and Grain prices, along with Potash and other fertilisers all reflect surplus production and stagnant or falling demand.

Amongst those to have suffered are our holdings in the Platinum producers, once the wonder metal powering catalytic converters for many of the Motor industry's automobile engines, but now riven by labour strife in South Africa, and the failure of the bigger mines to improve efficiency when the going was good.

The decline and fall of Volkswagen, following the disclosures of its falsification of emission figures on its diesel engines in the United States, despite the paltriness of its market share in that country, may well be a symptom of a rotten corporate culture, and ultimately unsatisfactory example of State and Union control, but it has severe implications for Platinum demand.

If demand for Diesel cars falls as a result of these misdemeanours, so will demand for Platinum, despite the undoubted benefits of diesel's lower carbon emissions. As optimists and admirers of the advantages of diesel for many years, we are inclined to hope that usage of platinum may ultimately increase, as engines are adapted to reduce particulate and nitrogen oxide emissions, rather than to hoodwink testing devices. At present the market is predicting further pain for Platinum producers, and our once substantial holdings are hugely diminished.

Our Palm Oil producers, whilst in the case of MP Evans benefitting from buoyant Beef prices in Australia, have seen a tumble in the Palm Oil price, whilst the re-emergence of El Nino has led to falls in production, especially in the case of REA Holdings. The recent sale by MP Evans of its wholly-owned Cattle farm in Australia will help fill its coffers, and may well be followed by additional disposals. We congratulate the management on their perseverance in this process and success thus far.

Whilst we were happy to see Sirius Resources, a bonanza West Australian Nickel discovery, being bid for by Independence, the assault on metal prices generally has pared back our gains; recalling our success 50 years ago with early stage investments in Western Mining, we are inclined to hold on for an eventual uplift.

Troy, facing a steep decline in the Silver price, whilst its Casposo mine goes deeper into higher grades of silver relative to Gold, combined with delays to the start-up of its Karouni mine in Guyana, has plumbed new lows; its recovery very much depends on a more advantageous price for gold, and its ability to produce ounces economically and in quantity from its new mine. Many of the other Gold producers within the portfolio are in similar straits, even where, as in the case of Aureus in Liberia, production has commenced in the face of a variety of challenges, not least of which was Ebola.

We have pared away many of the most miserable of the remainder wherever possible, where there is little prospect of an early recovery. In the current climate, of substantial declines across the board in the Commodity sector, we would expect the first port of call for new investment to be in the Majors, many now yielding, perhaps with an element of hope included, in excess of 5 or 6% both amongst the Mega mining companies such as BHP and Rio Tinto, but also in the energy sector, Royal Dutch Shell and BP. It would seem more sensible to pick up some seeming bargains in those areas, rather than expect manna from heaven amongst the minnows.

CHAIRMAN'S STATEMENT

All is not gloom in the Resource sector, and we congratulate again, at the risk of blighting his progress, Colin Orr-Ewing and his team, on the signing of a Memorandum of Understanding with Tesla for Lithium from Bacanora's mine in Mexico. We also harbour hopes for one or two other of our Lithium investments, but are studiously not counting any chickens before hatching.

Once again amongst the high-achievers of the portfolio, Young and Co have produced stellar results amidst a sublimely sunny April and early Summer; more is to be hoped for if the Rugby World Cup lives up anywhere near to expectations.

Fuller, Smith and Turner, their neighbours and rivals, continue to thrive, as does Shepherd Neame, with excellent recent results, and we continue to see good gains amongst our property holdings such as McKay, Palace Capital, and Mountview.

Conygar appears to have fallen asleep, although with luck might surprise us all with a sudden burst of activity. James Halstead sails serenely forwards towards its 100th anniversary. Phoenix has thrived, despite tighter Capital requirements, and would seem a more secure Landing Field than the cess-pit of RBS, wither its Chairman has now flown.

Fred Grimwade's Select Harvests has exceeded all expectations in its production of almonds in Australia's Victoria, and proved a ray of sunshine from the land Down Under; it is salutary to consider that only a few years ago, Mr Rudd's Carbon Tax was going to bring a raft of benefits to the non-working people of Australia, only to see the Golden Goose succumb to disease a few years later, and the companies that were due to pay it struggling to survive. 5 Prime Ministers later, with the blood yet to dry from the most recent political assassination of Tony Abbott, Australia has yet to reconcile the decline in its income from the Resource sector, with the demand on its Benefits structure and the need for far more swingeing cuts in expenditure.

Sadly Mr. Obama's obeisance to Climate Change has decreed the death of a whole swathe of the American Coal mining sector: one wonders what Woody Guthrie would sing today in the face of the desolation of entire communities and a way of life, in favour of a theory formulated by the fringe fanatics that has taken hold across the Western world and, in many cases, on the flimsiest of conflicting evidence. The re-naming of Mount McKinley as Mount Denali announced by the President has an element of irony, over and above the elimination of a former President, as its name is shared by one of the United States' most conspicuous gas-guzzlers, the General Motors Denali.

The enormous wealth Coal and Oil have brought to individuals and to all mankind seems to have provoked the eco-lobby into a frenzied zeal to eliminate every vestige of prosperity and atone for it in hair shirt austerity for eternity. The collapse of Drax's plans to build a plant for Carbon Capture is an example within Britain of the destruction caused by obeisance to green flim-flam theories, as to some extent is the Redcar steel plant in Tyneside, where the cost of Carbon credits is a contributory factor in its demise, and the Emissions pricing is 5 to 10 times higher than in France or Germany.

Eggborough and Longanett power stations are due to close in 2016, removing 5% of the UK's electrical production capacity. The courting of China to provide finance and expertise for the building of Hinkley point Nuclear power station raises ethical and financial questions, in view of China's record on human rights, and also its ability to manage its financial affairs with transparency and integrity. The reality is that coal will provide 60% of the World's power for many years to come, and perhaps it would be more sensible to make its production as safe and clean as possible, in the light of that fact. Perhaps Algy Cluff's coal-to-gas extraction process is worthy of closer consideration.

CHAIRMAN'S STATEMENT

An 'Arctic Plume' has swept across England, in recent weeks, bringing to an end many glorious days of sunshine, coincident with the infinitely more tragic news that Palmyra the beating heart and soaring symbol of Western Civilisation has succumbed to the murderous and inane Icicles, iconoclasts and assassins, at the same time markets around the world tumble and tremble at the revelation of the slow-down in China. As the Psalmist says in Psalm 73 vv 6-8, *'But now they break down the carved work thereof at once with axes and hammers. They have cast fire into thy sanctuary, they have defiled by casting down the dwelling place of thy name to the ground. They said in their hearts, Let us destroy them together: they have burned up all the synagogues of God in the land.'*

The flood of refugees pouring into Greece, Hungary and other destinations poses an existential threat to the cultural and ultimately political integrity of the EU countries on their horizon; the question must be posed whether Syrian refugees should not stay in their country and oppose the upsurge of ISIS, so keen to recruit from within the shores of Britain. It is unappealing to those of a more phlegmatic nature to see serried ranks of seemingly fit and well-dressed young men attempting to burst through the boundaries of Europe; and also questionable whether Germany, or indeed Europe can realistically cope with such an influx of people from so many different backgrounds and of variable qualifications.

It is exacerbated by the knowledge that much of the financing for the opponents of President Assad comes from Qatar and the Gulf States, who are not foremost in those countries offering asylum. Whatever the causes, it would appear to us that offering asylum to those prepared to risk the passage to the shores of the English Channel or boundaries of Greece, can only reinforce the desire and attraction for many others to make their way to the Mecca of Germany or Britain, and its largesse of benefits. It would seem more appropriate in the context of Britain's Christian heritage to consider asylum for those believers in particular, who have suffered so grievously over the past several years, in both Iraq and Syria.

We are now light years away from the exhilaration and excitement of megamergers in the mining sector, and those with the largest debts are being punished remorselessly; the on-off prospect of rises in Interest rates, either in the US or UK, or indeed both have restrained sentiment, and the prolonged negotiations over Greece's Debt reduction have tarnished the reputation of the European Union and its leaders.

Whilst some still believe that a European Union led by German discipline will deliver us and even Greece, to the Broad Sunlit uplands of Churchill's vision, we have a frailer belief in the power of politicians to overcome age-old animosities and national characteristics. Indeed, we would favour a British departure from the embrace of the EU, although we do not underestimate the determination of Mr Cameron to keep us within its sway, without any substantive change in our obligations towards it. Having gained power to its surprise, if not to that of the architect of its victory Lynton Crosby, the policies outlined in the Budget leave us wondering whether we have not inadvertently elected a Labour party, as the top rate of tax is retained at 45%, the 'Living Wage' is increased by a huge factor, which will do huge damage to the pub sector, and we suspect to the entire service sector; also the on going influx of immigrants, 300,000 at the most recent count, will apply pressure on the market for labour, which is likely to lead to conflict between availability and the pre-determined price set by the State.

We had not anticipated moving back into a world of wage controls, as now applied by Mr. Osborne whilst Sunday becomes yet more beholden to the masters of Mammon. Worse still, his removal of the Tax credit on Dividends is a direct assault on Capitalism, and likely to prove very costly for anyone who has seen fit to invest and is now looking forward to reaping the rewards. Add to that his continuing attack on the Pensions of privately-employed people, and even more malign, the removal of interest being allowable against income on buy-to-let properties, severely threatening that sector, previously one of the most profitable in the whole area of private investment. This is not the world we had reason to hope might emerge after a Conservative election victory, rather a mish-mash of re-heated Socialist dogma, instead of liberating the economy from high and complex taxes, and shrinking the size of the State.

CHAIRMAN'S STATEMENT

The gargantuan folly of HS2 seems set to roll remorselessly forward through the Chilterns, even if Network Rail is unable to complete a range of repairs and renovations anywhere close to its budget: Meanwhile, an additional Runway at Heathrow remains pie in the sky.

The only crumb of comfort to be gleaned is that spending on defence is to be modestly increased, although with the Chinese now developing the DF-21D missile, capable of destroying an Aircraft Carrier, we wonder what use the two being built for Britain may prove in due course.

Amongst the harbingers of gloom, we see the hesitation and reluctance of the Federal Reserve to raise interest rates, and the warnings of leading bankers that the new regulatory regime threatens the ability of banks to increase lending for industry; and that it might well have the perverse effect of increasing, rather than diminishing risk. This is combined with the on going malaise and slowdown in China, and the absence of any further firepower in the Central Banks' armoury, after it has been squandered on Quantitative Easing. Many believe the Bull market since 2009 is now long in the tooth, and due for a correction although there are very tentative signs of a smidgeon of a recovery in the gold miners.

Despite so many sad or grim portents, and the most recent decline in markets around the world, we think pertinent Mr. Buffet's remarks from his Shareholders letter in 1994: *"Fear is the foe of the Faddist but the friend of the fundamentalist"*.

This fits well with Chris Mayer's remit: *"look for good businesses that can compound capital at a good rate over a long time, run by honest and talented people (who are also owners) and aim to hold them for years"*.

As Isaiah says, Chapter 56: *"Thus saith the Lord, Keep ye judgment, and do justice: for my salvation is near to come, and my righteousness to be revealed. Blessed is the man that doeth this, and the son of man that layeth hold on it; that keepeth the Sabbath from polluting it and keepeth his hand from doing any evil."*

We are most grateful for the commitment and performance of Steven, Abbie and Nick, along with our exemplary Chris Copperwaite from Dexion, and his colleagues. We are also very grateful to Tony Burnell of Lloyds, and his support to us over the past several years. We wish him well in the area on which he now concentrates, along with his son's aspirations in cricket and soccer.

My gratitude and thanks as ever to my experienced and prescient Board, and especially to my wife Lucinda and her ongoing support. I am sure they are all equal to the challenges ahead, as I trust are our shareholders, despite the disappointments of the past few years. Whilst no quick fixes are promised, we continue to hold a good spread of excellent businesses, to which we will continue to add when opportunities occur and as debt is reduced.

Whilst our cricketers have surprised us with their success, our ever-dependable oarsmen and women have once again lived up to the high expectations we now place upon them: it remains to be seen whether our Rugby players can make it a trio of successes. Go, Britain!

Robin Woodbine Parish
28 September 2015

INVESTMENTS WITH A FAIR VALUE EXPOSURE GREATER THAN £500,000 based upon fair values at 30 June 2015

	Investment	Local Currency	Fair Value GBP	Fair Value Cumulative GBP	% of financial assets
1	Young & Co.	GBP	8,980,749	8,980,749	
2	James Halstead	GBP	2,846,699	11,827,448	
3	Fuller, Smith & Turner	GBP	2,445,055	14,272,503	
4	Amerisur Resources	GBP	2,171,841	16,444,344	
5	Dee Valley Group	GBP	1,861,168	18,305,512	
6	M P Evans Group	GBP	1,692,591	19,998,103	
7	Shepherd Neame	GBP	1,680,800	21,678,903	
8	Kuala Lumpur Kepong	MYR	1,574,186	23,253,089	
9	Goodwin	GBP	1,174,125	24,427,214	
10	Bacanora Minerals	GBP	1,103,444	25,530,658	**36.2%**
11	Hill & Smith Holdings	GBP	1,082,431	26,613,089	
12	REA Holdings	GBP	1,051,757	27,664,846	
13	Ceravision	GBP	1,038,859	28,703,705	
14	PZ Cussons	GBP	976,860	29,680,565	
15	Troy Resources	AUD	948,253	30,628,818	
16	Mountview Estates	GBP	944,000	31,572,818	
17	Conygar Investment	GBP	880,000	32,452,818	
18	Hampden	GBP	823,350	33,276,168	
19	Archipelago Metals	USD	775,601	34,051,769	
20	McKay Securities	GBP	762,000	34,813,769	**49.4%**
21	Jersey Electricity	GBP	756,800	35,570,569	
22	Lindsell Train Funds	JPY	732,625	36,303,194	
23	Vietnam Funds	USD	722,417	37,025,611	
24	Herald Investment Funds	GBP	715,978	37,741,589	
25	Shanta Gold	USD	678,434	38,420,023	
26	Hurricane Energy	GBP	650,000	39,070,023	
27	Legal & General Group	GBP	611,834	39,681,857	
28	McMullen & Sons	GBP	568,750	40,250,607	
29	Phoenix Group	GBP	532,675	40,783,282	
30	Overstone Funds	EUR	526,863	41,310,145	58.6%
			Investments over £500,000	41,310,145	58.6%
			Other investments	29,143,710	41.4%
			Total investments	**70,453,855**	**100.0%**

DIRECTORS' REPORT

The Directors present the Annual Report and the Group's consolidated financial statements for the year ended 30 June 2015.

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 2015 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, 2015 issued by the Guernsey Financial Services Commission (the "Commission"). 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 for the financial year was £10,801,125 (2014 profit: £7,767,078).

For the year ended 30 June 2015, a final dividend of 2.405 pence per share is proposed for payment on 27 November 2015 to Shareholders registered in the books of the Company at the close of business on 30 October 2015 (2014: 3.7 pence per share). The Board will review performance to 31 December and consider the payment of an interim dividend prior to the end of the 2015-2016 tax year.

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 37, 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 2015 beneficial No. of Shares	**30 June 2015 non-beneficial No. of Shares**	30 June 2014 beneficial No. of Shares	30 June 2014 non-beneficial No. of Shares
CRW Parish	6,794,775	9,777,091	6,630,180	10,659,011
SB Kumaramangalam	6,393,368	3,314,407	6,393,368	3,314,407
RE Wade	513,150	–	513,150	–
JA Wild	149,998	–	149,998	–

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. The only changes to the Directors interests which occurred before the date of this report or from the year ended 30 June 2015 were that CRW Parish sold 90,000 shares beneficially held. Of the Shares in issue 33,210,305 or 51.6% (2014: 34,137,634 or 53.0%) are not in public hands at the year ended 30 June 2015.

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	15.06	9,707,775	6,393,368	3,314,407
Mr WB & Mrs P Fraser	18.51	11,932,545	45,090	11,887,455
JM Finn Nominees Limited	18.07	11,646,410	–	11,646,410
Mr G & Mrs CW Zegos	11.88	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 four independent non-executive Directors:
Messrs. RAR Evans, 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.

The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2015:

	Fees £	Salary & other £	Performance Bonus £	Benefits in kind £	Total £
Executive					
CRW Parish (Chairman)*	–	253,662	98,000	2,212	353,874
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	253,662	98,000	2,212	442,896

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

DIRECTORS' REPORT *(continued)*

Directors' emoluments

The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2014:

	Fees £	Salary & other £	Performance Bonus £	Benefits in kind £	Total £
Executive					
CRW Parish (Chairman)*	–	264,825	39,025	614	304,464
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	264,825	39,025	614	393,486

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

The Chairman's emoluments for the year ended 30 June 2015 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 £488,286. The Remuneration Committee recommended, and the Directors agreed to a performance bonus of £83,082 (2014: £157,704) for the year ended 30 June 2015. No Director waived emoluments for the year ended 30 June 2015.

Directors' pension entitlement

The Directors have no pension entitlements.

Independent auditors

PricewaterhouseCoopers CI LLP were re-appointed during the year as the Company's auditors and have indicated their willingness to continue in office as Auditors. In accordance with The Companies (Guernsey) Law, 2008, a resolution for the re-appointment of PricewaterhouseCoopers CI LLP as auditors 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
28 September 2015

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 28 September 2015.

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

Period[4]	THE EXPLORATION COMPANY plc Profit/(loss) before tax £	THE EXPLORATION COMPANY plc Issued capital £	THE EXPLORATION COMPANY plc Net assets at fair value (IFRS) £	EL ORO MINING AND EXPLORATION COMPANY plc Profit/(loss) before tax £	EL ORO MINING AND EXPLORATION COMPANY plc Issued capital £	EL ORO MINING AND EXPLORATION COMPANY plc 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 LTD

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
2013	(13,688,199)	646,573	59,720,657
2014	8,455,612	488,286	65,017,817
2015	(11,338,951)	447,145	51,827,562

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 Group as follows:

	30 June 2015 £	30 June 2014 £
Net assets	**51,827,562**	65,017,817
Add: deferred tax	**3,511,702**	4,674,130
Less: tangible assets	**(1,110,747)**	(1,137,135)
Net assets at fair value	**54,228,517**	68,554,812

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	42,877,282
Taxation	19,207,396
	62,084,678

[1] Bonus issue of one unit for every two units held.
[2] From 2004 the Group financial statements 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 financial statements incorporate the Company's share of the result of their associated undertakings. The middle market price per stock unit at 30 June 2015 was 55.0 pence and at 30 June 2014 was 73.0 pence (which with 1 for 2 bonus in 1961 equals 39.2 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 statement of financial position as of 30 June 2015 and the consolidated statement of comprehensive income, the consolidated statements of changes in equity and the consolidated statement of cash flow 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 Group as of 30 June 2015, and of the financial performance and cash flows of the Group 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 the Group operations, Chairman's statement, Investments with a fair value exposure greater than £500,000, Directors' report, Statement of Directors'responsibilities and Historical financial data.

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
Guernsey, Channel Islands
28 September 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year to 30 June 2015

	Notes	**30 June 2015** **£**	30 June 2014 £
Revenue	2 a	**1,594,264**	1,856,905
Net (losses) / profits on investments	2 b	**(10,106,417)**	9,598,350
Total (loss) / profit		**(8,512,153)**	11,455,255
Expenses	3	**(1,558,728)**	(1,659,762)
(Loss) / profit before finance costs and taxation		**(10,070,881)**	9,795,493
Finance costs		**(1,268,070)**	(1,339,881)
(Loss) / profit before taxation		**(11,338,951)**	8,455,612
Taxation	5	**537,826**	(688,534)
(Loss) / profit for the financial year and total comprehensive income	6	**(10,801,125)**	7,767,078
(Losses) / earnings per share (basic)	6	**(16.8p)**	12.0p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Notes	**30 June 2015** **£**	30 June 2014 £
Opening capital and reserves attributable to equity holders		**65,017,817**	59,720,657
Total comprehensive income and (loss) / profit for the financial year		**(10,801,125)**	7,767,078
Decrease of equity to Treasury account		**(41,141)**	(158,287)
Dividends paid (net)	4	**(2,347,989)**	(2,311,631)
Closing capital and reserves attributable to equity holders	18	**51,827,562**	65,017,817

The accompanying notes on pages 18 to 36 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 STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	**30 June 2015**	30 June 2014
		£	£
Non-current assets			
Property, plant and equipment	7	**1,110,747**	1,137,135
		1,110,747	1,137,135
Current assets			
Trade and other receivables	9	**1,806,755**	1,389,150
Investments held at fair value through profit or loss	10	**70,453,855**	91,883,407
Cash and cash equivalents	15	**6,350,739**	308,383
Total current assets		**78,611,349**	93,580,940
Current liabilities			
Borrowings	11	**5,107,691**	1,556,352
Trade and other payables	12	**559,872**	1,058,470
Financial liabilities at fair value	11	**3,409,627**	2,391,816
Current tax liability	13	**305,642**	19,490
Total current liabilities		**9,382,832**	5,026,128
Net current assets		**69,228,517**	88,554,812
Non-current liabilities			
Borrowings	11	**15,000,000**	20,000,000
Deferred tax liabilities	14	**3,511,702**	4,674,130
Total non-current liabilities		**18,511,702**	24,674,130
Net assets		**51,827,562**	65,017,817
Capital and reserves attributable to equity holders			
Share capital	17	**447,145**	488,286
Reserves	18		
Share premium		**6,017**	6,017
Capital redemption reserve		**347,402**	347,402
Merger reserve		**3,564**	3,564
Retained earnings		**51,023,434**	64,172,548
Total equity		**51,827,562**	65,017,817
Net asset value per share	19	**80.5p**	100.9p

The Board of Directors approved and authorised the Group's financial statements for issue on 28 September 2015.

Signed on behalf of the Board by:

CRW Parish
Chairman

RAR Evans
Director

The accompanying notes on pages 18 to 36 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 30 June 2015

	Notes	**30 June 2015 £**	30 June 2014 £
Operating activities			
Net (loss) / profit before tax		**(11,338,951)**	8,455,612
Adjustments for:			
Depreciation		**35,437**	34,547
Foreign exchange losses		**1,081,690**	1,064,953
Net unrealised losses / (gains) on fair value investments through the profit or loss		**5,225,469**	(9,247,394)
Finance costs		**1,268,070**	1,339,881
Cash flow from operations before changes in working capital		**(3,728,285)**	1,647,599
Movement in financial assets at fair value through the profit or loss		**16,087,375**	4,317,768
(Increase) / decrease in trade and other receivables		**(460,166)**	1,482,624
Decrease in trade and other payables		**(487,825)**	(50,915)
Cash flow from operations		**11,411,099**	7,397,076
Income taxes (received) / paid		**(251,674)**	708,024
Cash flow from operating activities		**11,159,425**	8,105,100
Investing activities			
Purchase of property, plant and equipment		**(9,049)**	–
Cash flow used in investing activities		**(9,049)**	–
Financing activities			
Interest paid		**(1,278,843)**	(1,347,835)
Net dividends paid to Shareholders	4	**(2,347,989)**	(2,311,631)
Cash flow used in financing activities		**(3,626,832)**	(3,659,466)
Net increase in cash and cash equivalents		**7,523,544**	4,445,634
Cash and cash equivalents - opening		**(1,205,408)**	(3,829,278)
Effect of foreign exchange rate changes		**(75,088)**	(1,821,764)
Cash and cash equivalents at 30 June	15	**6,243,048**	(1,205,408)

The accompanying notes on pages 18 to 36 form an integral part of the financial statements.

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 Company qualifies as an Investment Entity in accordance with IFRS 10. The Company consolidates its wholly owned UK subsidiaries into the Group financial statements on the basis of control. However, they also provide investment related services to the Company.

All subsidiaries were wholly owned throughout the financial year. Inter-company balances, 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 statement of financial position is based on the quoted bid price at the statement of financial position 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 traded 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 (losses)/gains 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.

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 Other 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 statement of financial position. 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 *(continued)*

1.6 Expenses

All expenses and finance costs 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 statement of financial position 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 statement of financial position 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 Functional and 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 statement of financial position 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 *(continued)*

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 declared/approved, 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

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 Chairman (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 who allocates resources and the Board who oversees the Chairman'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 Critical accounting 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 13.4% of net assets (2014 = 21.5% of net assets).

1.15 Standards, amendments and interpretations

Relevant and effective in the current financial year
IFRS 10, Consolidated financial statements (effective 1 January 2013).
IFRS 12, Disclosure of interests in other entities (effective 1 January 2013).
IFRS 13, Fair value measurement (effective 1 January 2013).
IAS 27, Separate financial statements (effective 1 January 2014).
IAS 32, Financial instruments: Presentation (effective 1 January 2014).

Relevant and effective in future financial year
Amendment to IFRS 9, Financial instruments (effective 1 January 2018).
Amendment to IAS 1, Presentation of financial statements on the disclosure initiative (effective 1 January 2016).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

2. INVESTMENT INCOME

	30 June 2015 £	30 June 2014 £
a. **Revenue**		
Dividends from investments	**1,586,098**	1,848,063
Other income	**8,166**	8,842
	1,594,264	1,856,905

	30 June 2015 £	30 June 2014 £
b. **Net (losses) / profits on investments**		
Net unrealised (losses) / gains on fair value of investments through the profit or loss	**(5,225,469)**	9,247,394
Net realised (losses) / gains on fair value of investments through the profit and loss	**(3,799,258)**	1,415,909
Net foreign exchange losses	**(1,081,690)**	(1,064,953)
Net (losses) / gains on investments	**(10,106,417)**	9,598,350

The 'Net unrealised (losses) / gains on fair value investments through the profit or loss' has a foreign exchange component that was negative £1,864,579 during the financial year (2014: negative £2,871,463).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. EXPENSES

	30 June 2015 £	30 June 2014 £
Employment costs		
Wages and Salaries	**714,640**	987,065
Social Security costs	**84,075**	63,838
	798,715	1,050,903
Benefits in kind included within employment costs	**2,212**	614
Custodial costs	**81,148**	72,709
Administration costs	**141,373**	117,332

	30 June 2015 £	30 June 2014 £
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of parent company and consolidated financial services	**44,300**	41,250
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**30,829**	36,040
	75,129	77,290

	30 June 2015	30 June 2014
Monthly average staff numbers (including executive Director)		
Investing / research	**2**	2
Administration	**4**	4
	6	6

The Research Assistant was made redundant on 4 June 2015.
Full details of the fees and emoluments for each Director are provided in the Directors' report on pages 9 and 10.

4. DIVIDENDS PAID

	Paid during year to	
	30 June 2015 £	30 June 2014 £
Final dividend of 3.7 pence (2014: 3.6 pence) paid per ordinary Share	**2,369,380**	2,311,631
Dividends unclaimed after 12 years	**(21,391)**	–
Net dividends	**2,347,989**	2,311,631

Dividends paid and proposed
For the year ended 30 June 2015 the Directors propose a dividend of 2.405 pence per Share totalling £1,548,755 (2014: Proposed and paid a dividend of 3.7 pence per Share totalling £2,384,920).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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 2015	30 June 2014
	£	£
Analysis of tax charge		
Current tax		
UK corporation tax on profits / (losses) for the year	**612,642**	380,046
Adjustment in respect of prior year	**1,946**	(1,191)
Overseas tax charge	**10,014**	8,516
Total current tax	**624,602**	387,371
Deferred tax		
Origination and reversal of timing differences	**(1,162,428)**	301,163
Total deferred tax	**(1,162,428)**	301,163
Tax on (profit) / losses from ordinary activities	**(537,826)**	688,534

Factors affecting tax charge

The tax assessed is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%).

	30 June 2015	30 June 2014
	£	£
The differences are explained below		
(Loss) / profit on ordinary activities before tax	**(11,338,951)**	8,455,612
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	**(2,352,909)**	1,902,629
Effects of		
Expenses not deductible for tax	**41,792**	46,589
Income not subject to tax	**1,716,798**	(591,199)
Tax rate differences	**41,769**	(679,645)
Depreciation in excess of capital allowances	**12,778**	11,351
Adjustments in respect of prior year	**1,946**	(1,191)
Total tax charge for the year	**(537,826)**	688,534

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.

Changes to the main rate of UK corporation tax were announced by the Chancellor of the Exchequer in his Autumn Statement on 5 December 2012 and in his Budget on 20 March 2013. The rate fell by 2% to a rate of 21% with effect from 1 April 2014 and has dropped by a further 1% to a rate of 20% with effect from 1 April 2015.

Deferred tax balances have been remeasured to 20.5%. This was the rate enacted at the statement of financial position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. EARNINGS PER SHARE (BASIC/DILUTED)

	30 June 2015 **£**	30 June 2014 £
(Loss) / profit after tax	**(10,801,125)**	7,767,078
Weighted average number of shares in basic EPS	**64,397,295**	64,457,305
(Losses) / earnings per share (basic/diluted)	**(16.8p)**	12.0p

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	**Fixtures, fittings, paintings and computer equipment £**	**Total**
Year ended 30 June 2014			
At cost	604,188	567,494	1,171,682
Accumulated depreciation	(14,884)	(19,663)	(34,547)
Net book value	**589,304**	**547,831**	**1,137,135**
Year ended 30 June 2015			
Opening net book value	589,304	547,831	1,137,135
Purchases during the year	–	9,049	9,049
Depreciation for year	(14,884)	(20,553)	(35,437)
Closing net book value	574,420	536,327	1,110,747

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 2015.

	Number of shares	**Nominal value**	**Net assets £'000**	**Profit / (loss) before tax £'000**	**Book value £**
Investment companies					
El Oro and Exploration Company Limited	10,776,501	ord. 5p shares	16,928	(3,369)	538,825
Investigations and Management Limited	5,000	ord. £1.00 shares	355	331	3,080
Dormant companies					
El Oro Mining and Exploration Company Limited	4,511,135	ord. 10p shares	454	–	456,110
General Explorations Limited	1,000,000	ord. 5p shares	50	–	2,747
Group Traders Limited	30,040	ord. 5p shares	2	–	37,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9. TRADE AND OTHER RECEIVABLES

	30 June 2015 £	30 June 2014 £
Trade receivables - amounts due from brokers	**1,321,560**	900,539
Other receivables	**485,195**	488,611
	1,806,755	1,389,150

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.

10. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

In accordance with IFRS 13 the Group 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 Group are explained in note 1.3.

A reconciliation of fair value measurements in level 3 is set out below.

	30 June 2015 £	30 June 2014 £
Level 1 - quoted prices (unadjusted)	**56,240,678**	76,928,042
Level 2 - observable price inputs	**2,391,645**	2,620,265
Level 3 - unobservable price inputs	**11,821,532**	12,335,100
	70,453,855	91,883,407

Reconciliation of fair value measurements in level 3	**30 June 2015 £**	30 June 2014 £
Opening balance	**12,335,100**	16,449,559
Acquisitions	**3,409,959**	4,315,479
Disposal receipts	**(7,113,069)**	(3,565,065)
Transfers in to / (out of) Level 3	**5,059,483**	(3,497,493)
Total (losses) / gains included in the Consolidated Statement of Comprehensive Income		
on assets sold	**(3,776,160)**	(63,166)
on assets held at the year end	**1,906,219**	(1,304,214)
Closing balance	**11,821,532**	12,335,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. FINANCIAL LIABILITIES – BORROWINGS AND DERIVATIVES

	30 June 2015	30 June 2014
	£	£
Current		
Bank loan	**5,000,000**	–
Bank overdrafts	**–**	683,145
Amounts due to brokers	**107,691**	873,207
	5,107,691	1,556,352
Financial liabilities at fair value	**3,409,627**	2,391,816
	8,517,318	3,948,168

	30 June 2015	30 June 2014
	£	£
Non-current		
Bank loan	**15,000,000**	20,000,000
	15,000,000	20,000,000

The subsidiary company El Oro and Exploration Company Limited has overdraft facilities that are repayable on demand and additionally a bank loan that expires on 30 November 2015 with Lloyds TSB plc. The Directors have negotiated a £15.0 million rollover on 30 November 2015 with a decrease of £5 million to be repaid from cash reserves. The Director's have reflected the final agreed amounts in the statement of financial position as they believe this presents the most accurate position at 30 June 2015. The new facilities will comprise a fully drawn loan of £15.0 million, with the £5.0 million overdraft for working capital and liquidity management presently under review. 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.

Derivative agreements are entered into for varying purposes as follows:
- Interest rate SWAPS for the purpose of fixing the interest rate payable on the Group's funding; and
- Commodity forward (1 year) contracts in precious metals such as gold bullion to gain direct exposure to the commodity price.

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.

Financial instruments at fair value comprise short derivative financial instruments; this category is carried in the statement of financial position 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 2015 £nil (30 June 2014: £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.

12. TRADE AND OTHER PAYABLES

	30 June 2015	30 June 2014
	£	£
Other payables	**20,201**	194,182
Accruals	**270,585**	601,722
Unclaimed dividends	**269,086**	262,566
	559,872	1,058,470

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. CURRENT TAX LIABILITY

	30 June 2015 £	30 June 2014 £
Corporation tax	**305,642**	19,490

14. DEFERRED TAX LIABILITIES

	30 June 2015 £	30 June 2014 £
Opening balances at 1 July	**4,674,130**	4,372,967
Net (losses) / gains on investments	**(1,164,374)**	302,354
Depreciation under capital allowances	**1,946**	(1,191)
Closing balances at 30 June	**3,511,702**	4,674,130

Deferred tax is calculated in full on temporary differences under the liability method using an average tax rate of 20.75% (2014: 22.5%) 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 2015 £	30 June 2014 £
Cash available on demand	**6,350,739**	308,383
Bank overdraft	–	(683,145)
Amounts due to brokers	**(107,691)**	(830,646)
	6,243,048	(1,205,408)

16. COMMITMENTS AND CONTINGENT LIABILITIES

Within the normal course of business, the Group has committed to subscribe for securities. As at 30 June 2015 this commitment totalled £169,000 (2014: £767,369).

17. SHARE CAPITAL

	El Oro Ltd		El Oro Ltd	
	30 June 2015 No.	**30 June 2015 £**	30 June 2014 No.	30 June 2014 £
Authorised	**unlimited**	**unlimited**	unlimited	unlimited
Issued and fully paid Shares with no par value	**64,397,295**	**447,145**	64,457,305	488,286
Held in Treasury	**260,045**	**199,428**	200,035	158,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. EQUITY AND RESERVES

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2013	646,573	6,017	347,402	3,564	58,717,101	59,720,657
Profit for the year	–	–	–	–	7,767,078	7,767,078
Treasury shares	(158,287)	–	–	–	–	(158,287)
Dividends (net)	–	–	–	–	(2,311,631)	(2,311,631)
As at 30 June 2014	488,286	6,017	347,402	3,564	64,172,548	65,017,817

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2014	488,286	6,017	347,402	3,564	64,172,548	65,017,817
Profit for the year	–	–	–	–	(10,801,125)	(10,801,125)
Treasury shares	(41,141)	–	–	–	–	(41,141)
Dividends (net)	–	–	–	–	(2,347,989)	(2,347,989)
As at 30 June 2015	447,145	6,017	347,402	3,564	51,023,434	51,827,562

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 statement of financial position and not the Group's consolidated statement of financial position.

19. NET ASSETS PER SHARE

The net assets per Share figure is based on net assets of £51,827,562 (2014: £65,017,817) divided by 64,397,295 (2014: 64,457,305) Shares in issue at the year end.

20. CASH FLOW – MATERIAL NON-CASH ITEMS

There were no material non-cash items during the year (2014: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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 £321,894 (2014: £295,244) 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 £3,048 (2014: £3,037) 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.

Members of the Parish family paid accommodation costs to the Company for the use of the property during the year to 30 June 2015, this amounted to £nil (2014: £720). No amounts remain outstanding at the year ended 30 June 2015 (2014: £nil).

CRW Parish resigned as a non-executive director in Troy Resources on 24 April 2015, a stock held in the portfolio. JA Wild is a non-executive director in James Halstead, a stock held in the portfolio.

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 2015, based on the earliest date on which payment can be required to be made was as follows:

As at 30 June 2015	**3 months or less £'000**	**Not more than 1 year £'000**	**Not more than 5 years £'000**	**More than 5 years £'000**	**Total £'000**
Financial liabilities at fair value through the profit or loss	**163**	**469**	**2,131**	**3,826**	**6,589**
Bank loan	–	**5,000**	**15,000**	–	**20,000**
Other payables	**1,320**	**109**	–	**3,301**	**4,730**
	1,483	**5,578**	**17,131**	**7,127**	**31,319**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *(continued)*

The contractual maturities of the financial liabilities at 30 June 2014, based on the earliest date on which payment can be required to be made as follows:

As at 30 June 2014	**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**
Financial liabilities at fair value through the profit or loss	–	165	489	2,255	4,410	7,319
Overdrafts – due on demand	683	–	–	–	–	683
Other payables	–	838	–	263	–	1,101
Bank loan	–	–	–	20,000	–	20,000
	683	**1,003**	**489**	**22,518**	**4,410**	**29,103**

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 2015 Fair and book value £	30 June 2014 Fair and book value £
Financial assets		
Cash and bank balances	**6,350,739**	308,383
Financial assets at fair value through profit or loss		
Listed fair value investments	**58,632,323**	79,548,308
Unlisted fair value investments	**11,821,532**	12,335,100
	76,804,594	92,191,791
Financial liabilities		
Bank overdraft	–	683,145
Derivatives*	**3,517,318**	3,222,462
	3,517,318	3,905,607
Financial liabilities		
Bank loan	**20,000,000**	20,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *(continued)*

* 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 2015 it would have realised a loss of £3,409,627 (2014: loss of £2,391,816). This amount has been recognised as a financial liability at fair value in the consolidated financial statements under IFRS. The fair value of the swap on 30 June 2015 is a liability of £3,409,627 (2014: £2,391,816) 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 13, 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 £3,522,693 or 6.8% (2014: £4,594,170 or 7.1%).

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 *(continued)*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *(continued)*

	30 June 2015 £	30 June 2014 £
Key currencies		
Australian dollar	**3,389,285**	6,442,248
Canadian dollar	**3,245,712**	5,695,547
Malaysian ringitt	**1,722,763**	2,088,123
South African rand	**545,057**	931,366
US dollar	**7,752,351**	8,521,620
	16,655,168	23,678,904
Other currencies		
Euro	**386,000**	410,314
Japanese yen	**522,702**	317,451
Norwegian krone	**–**	94,359
Swedish krona	**5,636**	43,690
	914,338	865,814
	17,569,506	24,544,718

It should be noted that for the purposes of IFRS 13, currency risk does not arise from financial instruments that are non-monetary items.

Key currencies	**2015 £**	2014 £	Change in currency rate (%)	**Effect on net assets 2015 (£'000)**	Effect on net assets 2014 (£'000)
Australian dollar	**3,389,285**	6,442,248	5	**169**	322
Canadian dollar	**3,245,712**	5,695,547	5	**162**	285
Malaysian ringitt	**1,722,763**	2,088,123	5	**86**	104
South African rand	**545,057**	931,366	5	**27**	47
US dollar	**7,752,351**	8,521,620	5	**388**	426
	16,655,168	23,678,904		**832**	1,184
Other currencies	**914,338**	865,814	5	**46**	43
	17,569,506	24,544,718		**878**	1,227

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 statement of financial position date, increasing or decreasing by £878,000 or 1.7% (2014: £1,227,000 or 1.9%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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. The Group manages the volatility to interest rate risk through entering into interest rate swaps on long term borrowings. Borrowing at year-end was £20,107,691 (2014: £21,556,352 (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 £201,077 or 0.4% on net assets (2014: £215,564 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 2015 Fixed rate at fair value £	30 June 2014 Fixed rate at fair value £
Fixed rate notes (assets)	**113,593**	409,635

The effective interest rate on these financial assets is 9.1% (2014: 7.6%).

Credit risk
The Group takes on limited exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Group attempts to mitigate this risk by i) diversification within the portfolio of investments, ii) careful selection of investments and iii) active monitoring of the investment's performance.

Liquidity risk
The Group's assets mainly comprise of 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 £11.8 million or 16.8% (2014: £12.3 million or 13.4%) 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 separately in the consolidated statement of financial position 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 £11.8 million or 16.8% (2014: £12.3 million or 13.4%) 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 2015 comprises equity share capital, reserves and debt as shown in the consolidated statement of financial position at a total of £71,935,253 (2014: £86,531,608). 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 *(continued)*

23. SUBSEQUENT EVENTS

In accordance with IAS 10 Events after the statement of financial position date, changes in asset prices after the statement of financial position date constitute a non-adjusting event as they do not relate to conditions that existed at the statement of financial position date. Accordingly, it is not appropriate to reflect any financial effect of these changes in asset prices in the statement of financial position as at 30 June 2015.

The Board has resolved to pay a final dividend of 2.405 pence for the year-ended 30 June 2015 on 27 November 2015 to Members registered on the books of the Company at the close of business on 30 October 2015.

El Oro and Exploration Company Limited was in the process of negotiating the loan roll over details with Lloyds Bank plc at 30 June 2015. At the date of signing the financial statements, the roll over had been agreed and the terms of the agreement are reflected in the consolidated financial statements.

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 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 2015** **£**	**Subsidiary** **30 June 2015** **£**	Company 30 June 2014 £	Subsidiary 30 June 2014 £
Revenue	**(277,282)**	**690,488**	(226,043)	962,312
Net (losses) / gains on investments	**(7,017,203)**	**(1,908,156)**	3,832,234	6,886,752
Total (loss) / income	**(7,294,485)**	**(1,217,668)**	3,606,191	7,849,064
Expenses	**(819,967)**	**(738,761)**	(775,408)	(884,354)
(Loss) / profit before finance costs and taxation	**(8,114,452)**	**(1,956,429)**	2,830,783	6,964,710
Finance costs:				
Interest expense	**(172,516)**	**(1,095,554)**	(216,901)	(1,122,980)
(Loss) / profit before taxation	**(8,286,968)**	**(3,051,983)**	2,613,882	5,841,730
Taxation	**8,253**	**529,573**	8,263	(696,797)
(Loss) / profit for the financial year and total comprehensive income	**(8,278,715)**	**(2,522,410)**	2,622,145	5,144,933

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

24. OPERATING SEGMENTS *(continued)*

Statement of financial position at 30 June	**Company 30 June 2015 £**	**Subsidiary 30 June 2015 £**	Company 30 June 2014 £	Subsidiary 30 June 2014 £
Non-current assets				
Property, plant and equipment	–	**1,110,747**	–	1,137,135
Investment in subsidiary	**538,825**	–	538,825	–
	538,825	**1,110,747**	538,825	1,137,135
Current assets				
Trade and other receivables	**1,191,321**	**4,652,009**	942,183	8,495,221
Investments held at fair value	**36,742,823**	**33,711,032**	50,915,435	40,967,972
Cash and bank balances	**173,136**	**6,177,603**	132,571	175,812
Net current assets	**38,107,280**	**44,540,644**	51,990,189	49,639,005
Current liabilities				
Financial liabilities				
Borrowings	–	**(5,107,691)**	–	(1,513,791)
Financial liabilities at fair value	–	**(3,409,627)**	–	(2,391,816)
Financial liabilities	–	**(8,517,318)**	–	(3,905,607)
Trade and other payables	**(3,520,168)**	**(1,076,279)**	(8,184,015)	(965,270)
Current tax liability	–	**(305,642)**	–	(19,490)
	(3,520,168)	**(9,899,239)**	(8,184,015)	(4,890,367)
Net current assets	**35,125,937**	**35,752,152**	44,344,999	45,885,773
Non-current liabilities				
Borrowings	–	**(15,000,000)**	–	(20,000,000)
Deferred tax liabilities	–	**(3,511,702)**	–	(4,674,130)
	–	**(18,511,702)**	–	(24,674,130)
Net assets	**35,125,937**	**17,240,450**	44,344,999	21,211,643
Capital and reserves attributable to equity holders				
Share capital	**447,145**	**538,825**	488,286	538,825
Reserves				
Share premium	–	**6,017**	–	6,017
Capital redemption reserve	–	**347,402**	–	347,402
Merger reserve	–	**3,564**	–	3,564
Retained earnings	**34,678,792**	**16,344,642**	43,856,713	20,315,835
Total equity	**35,125,937**	**17,240,450**	44,344,999	21,211,643

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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 2015 £	**Gross income to 30 June 2015 £**	Value of investments at 30 June 2014 £	Gross income to 30 June 2014 £
Africa	**545,057**	**8,137**	931,366	7,713
Asia	**2,245,464**	**50,781**	2,405,573	46,565
Australia & New Zealand	**3,389,285**	**34,721**	6,442,248	39,724
Europe	**391,638**	**19,009**	548,364	19,158
North America	**10,998,062**	**200,555**	14,217,167	178,195
United Kingdom	**52,884,349**	**1,272,895**	67,338,689	1,556,708
	70,453,855	**1,586,098**	91,883,407	1,848,063

OFFICERS AND ADVISERS

El Oro Ltd (Guernsey)	El Oro and Exploration Company Limited (UK)
DIRECTORS* CRW Parish, M. A. (Oxon) (Chairman) RAR Evans SB Kumaramangalam RE Wade JA Wild * The Directors were all appointed on 9 December 2008.	**DIRECTORS** CRW Parish, M. A. (Oxon) (Chairman) 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 Contact: Chris Copperwaite	**SECRETARY** S McKeane

REGISTRAR Computershare Investor Services (Guernsey) Limited 3rd Floor NatWest House Le Truchot St Peter Port GY1 1WD	**SHAREHOLDER CORRESPONDENCE** Computershare Investor Services (Guernsey) Limited c/o Queensway House Hilgrove Street St Helier JE1 1ES

INDEPENDENT AUDITORS PricewaterhouseCoopers CI LLP Chartered Accountants Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND Channel Islands	**STOCKBROKER** FinnCap Limited 60 New Broad Street London EC2M 1JJ

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Company's SIXTH ANNUAL GENERAL MEETING and the ONE HUNDRED AND ELEVENTH ANNUAL GENERAL MEETING OF THE EL ORO GROUP will be held on 19 November 2015 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 2015.
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 financial statements are laid before the Company and to authorise the Directors to fix their remuneration.
3. To authorise the payment of a final dividend of 2.405 pence for the year-ended 30 June 2015.
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 6,439,730;
   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

28 September 2015

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, Computershare Investor Services (Guernsey) Limited, c/o The Pavilion, Bridgwater Road, Bristol, BS99 6ZY 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 17 November 2015.

   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 2015 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 19 November 2015 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, Computershare Investor Services (Guernsey) Limited, c/o The Pavilion, Bridgwater Road, Bristol, BS99 6ZY.
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, Computershare Investor Services (Guernsey) Limited, c/o The Pavilion, Bridgwater Road, Bristol, BS99 6ZY; and
   - received by the Registrars, Computershare Investor Services (Guernsey) Limited 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.