Duke Royalty Limited

(Formerly Praetorian Resources Limited)

Annual Report and Audited Consolidated

Financial Statements

for the year ended 31 March 2016

Contents

The Company

Duke Royalty Limited ("Duke Royalty" or the "Company") is a Guernsey registered investment holding company incorporated with limited liability. Its shares are traded on the AIM market of the London Stock Exchange ("AIM"). The Company was incorporated on 22 February 2012 and dealings on AIM commenced on 9 July 2012.

Following the results of an Extraordinary Meeting (the "EGM") held on 16 June 2015 the Company changed its name from Praetorian Resources Limited to Duke Royalty Limited.

The "Group" is defined as the Company and its former subsidiaries Praetorian Portfolio Holding L.P., Praetorian Resources (GP) Limited and Praetorian ZDP Limited. The assets and liabilities of Praetorian Portfolio Holding L.P. and Praetorian Resources (GP) Limited were transferred into the Company on 11 May 2015. On 23 October 2015, it was resolved that Praetorian Resources (GP) Limited, Praetorian Portfolio Holding L.P. and Praetorian ZDP Limited be wound up and all three entities were placed into voluntary liquidation.

Investment Policy

For the year ended 31 March 2015 the Company's investment policy was to achieve capital appreciation through the purchase and sale of a wide range of securities and other investments within target sectors, which it effected indirectly through its investment in a Limited Partnership. The initial target sector was natural resources, an area where the then Board felt that there was an opportunity to take advantage of what it saw as depressed valuations in many mining and energy stocks.

Following the result of the EGM on 16 June 2015, the Company's Articles of Incorporation and Investment Policy were changed to invest in a diversified portfolio of royalty finance and related opportunities to build a stable and reliable income for Shareholders by seeking to invest in, without limitation and restrictions (including geographical restrictions):

(i) Long term, revenue-based royalties in private and/or public companies; and/or

(ii) Other alternative asset classes and/or financing instruments from time to time that bear similar risk and return characteristics to the investments in paragraph (i).

In order to capitalise on the opportunity, the Company has assembled a high quality Board and set of advisers with substantial experience and a long term track record within a range of commercial businesses. The Company had been structured as an investment holding company in order to give the Board maximum flexibility to achieve its goals, and is domiciled in a tax efficient jurisdiction to ensure shareholders receive the benefit from any realised profits. Management, the Board and its advisors, will utilise their contacts and skill to attract and carry out appropriate due diligence on portfolio opportunities and to source new opportunities.

Chairman’s Report

Dear Shareholder,

The financial year ending 31 March 2016 has been one of substantial activity and change for the Company.

In June 2015, shareholders voted to change the Company’s investment policy to become the first UK quoted diversified royalty investment company, at which time the Company changed its name to Duke Royalty Limited (“Duke”) and appointed a new and highly experienced Board of Directors. Since then, the Company has announced an exclusive collaboration with Oliver Wyman Limited (‘Oliver Wyman’), a division of a Fortune 250 company, in which Oliver Wyman has agreed to provide Duke with deal origination and due diligence services. Oliver Wyman has also provided two experienced royalty experts to Duke’s newly formed investment committee. In May and September 2015, the Company closed two rounds of equity funding securing £2.45m of new capital and in January 2016 appointed Peel Hunt LLP as its Nomad and Broker.

As referenced in an announcement made by the Company on 7 March 2016, Duke has been actively progressing its royalty pipeline. In that regard, I am pleased to announce that at the current time the Company is evaluating six late stage royalty opportunities with an aggregate value of approximately £70 million. All of these businesses have strong positive cash flow characteristics. Furthermore, the overall royalty pipeline has been significantly expanded to date, with over 25 royalty opportunities at varying stages of investigation which have an aggregate value of approximately £450 million. Shareholders should be aware that the process with each prospective investee company mentioned in this statement remains subject to satisfactory diligence and funding, are subject to execution risk and there is no certainty that these royalty investment agreements will be entered into.

The Company is also currently considering its options to raise additional capital, either in the form of equity or debt, to execute its investing policy and acquire a portfolio of long term, stable, and diversified royalty streams.

As the Company’s inaugural royalty transactions draw nearer the Board looks forward to providing shareholders with further updates on what I hope will be a transformational year for the Company.

Nigel Birrell
Chairman

Mr Nigel Birrell (Chairman)

Nigel Birrell is a Non-Executive Director of the Company and works with the Executive Directors on deal origination and structuring. He has extensive public company experience and expertise in the gaming, media and financial services sectors.

Mr Birrell is CEO of the Lottoland Group, a Gibraltar regulated fast growing gaming group. He is also a Non-Executive Director of the Gibraltar FSC regulated insurance group Southern Rock insurance Limited and sits on its audit and remuneration committee and its risk, compliance and investment committee.

Mr Birrell was until 2013 Group Director on the Executive Board at bwin.party digital entertainment plc, a global on-line gaming business, where he was responsible for all its mergers and acquisitions, business development and managing its investment portfolio. While at bwin.party Mr Birrell led the acquisitions of Gamebookers, Empire On-line and IOG's casino operations, Cashcade, the World Poker Tour and Orneon. He was instrumental in devising, negotiating and transacting the merger between PartyGaming and Bwin, which, at the time, created the larget online gaming business in history. He has also led all its disposals including Ongame's sale to Amaya. Prior to bwin.party, Mr Birrell was a director of the FTSE 250 media group HIT Entertainment plc. He also worked as an investment banker with Donaldson, Lufkin & Jenrette and Dresdner Kleinwort Benson.

Mr Birrell holds a LLB from the University of London (Queen Mary College) and qualified as a solicitor of the Supreme Court.

Mr Neil Johnson

Neil Johnson is an Executive Director and Duke Royalty's Chief Executive Office with responsibility for the overall strategic direction and performance of the Company. Working closely with the other members of the Management team, Board members and the Investment Committee, he leads all deal origination, due diligence and structuring.

Mr Johnson has over 20 years of experience in investment banking, merchant banking, and research analysis in both the Canadian and UK capital markets. In 2012 he co-founded and became Chief Executive Officer of Difference Capital Financial, a Canadian publicly listed merchant bank. For the previous 19 years he worked for Canaccord Genuity, first in Canada and later at theLondon office of Canaccord where he held the positions of Head of Corporate Finance (Europe), Global Head of Technology, and a member of the Global Executive Committee. Mr Johnson was instrumental in the firm becoming authorised as a nominated adviser for AIM and regulated in the UK and London Stock Exchange Main Market listings. He spearheaded the firm's diversification into the technology industry, and led Canaccord's initiative to attract North American firms to list in London.

Mr Johnson is a graduate of the Richard Ivey School of Business at the University of Western Ontario and holds the designation of Chartered Financial Analyst Charterholder.

Mr Charles Cannon-Brookes

Charlie Cannon-Brookes is an Executive Director of the Company and works alongside the CEO on deal origination, due diligence and structuring. In addition, Mr Cannon-Brookes is Duke Royalty's liaison with UK institutions / advisors and has oversight of Duke Royalty's corporate governance policies and regulatory compliance with the AIM rules.

Mr Cannon-Brookes has over 15 years investment experience. He is the Investment Director of FCA authorised and regulated Arlington Group Asset Management Limited ("AGAM") having jointly acquired the business in October 2004. Through AGAM, Mr Cannon-Brookes has been active in a variety of different investment management mandates and corporate finance transactions. In addition, he has successfully led a number of IPO and RTO transactions on the London markets. Prior to AGAM he worked for Arlington Group plc, an AIM quoted investment company where he managed all of its public equity portfolio. Mr Cannon-Brookes has also worked forJupiter Asset Management, ABN Amro and Barclays de Zoete Wedd.

He has extensive fund management experience and has advised and sat on the board of a number of different funds, trusts and other operating public companies.

Mr Cannon-Brookes holds a BA Hons in Economics & Politics from the University of Exeter.

Mr Jim Ryan

Jim Ryan is a Non-Executive director of the Company and works with the Executive Directors on deal origination and structuring. He has extensive public company experience and expertise in the gaming and technology sectors. Mr Ryan is Chairman of the Company's audit committee.

Mr Ryan joined Pala Interactive, LLC in July 2013 as Chief Executive Officer. Prior to joining Pala Interactive, LLC, Mr Ryan served as a Co-Chief Executive Officer of bwin.party digital entertainment plc from March, 2011 to January, 2013. Prior to the merger of PartyGaming plc and bwin.party, he served as the Chief Executive Officer of PartyGaming plc from May, 2008 to March, 2011. He has also held executive positions with a number of online gaming companies which include Chief Executive Officer of St. Minver Limited, Chief Executive Officer of Excapsa Software Limited and Chief Financial Officer of Cryptologic Software Limited. In addition to his role of CEO and director of Pala Interactive, LLC, Mr Ryan is also a director of Gaming Realms plc.

Mr Ryan holds a degree in business from the Goodman School of Business at Brock University and is a Chartered Accountant and a Chartered Professional Accountant (Chartered Professional Accountants of Canada).

Mr Mark Le Tissier

Mark Le Tissier is a Non-Executive Director of the Company. He is responsible for the oversight of the Company's corporate obligations in Guernsey.

Mr. Le Tissier is the European Regional Director of Trident Trust with oversight over five offices, as well as the Managing Director of Trident Trust Company (Guernsey) Limited and has worked for Trident for over twenty years. He has extensive board-level experience and has an in-depth knowledge of Guernsey and other jurisdictions' corporate and investment regulations. Mr. Le Tissier is a Trust & Estate Practitioner who has also completed the IOD Programme in company direction and is resident in Guernsey.

The Directors present their Annual Report and the Audited Consolidated Financial Statements of the Group for the year ended 31 March 2016.

Status and activity

The Company is an investment holding company incorporated on 22 February 2012 with limited liability in Guernsey under the Companies (Guernsey) Law, 2008.

The Company's shares were admitted to trading on the London Stock Exchange's Alternative Investment Market ("AIM") on 9 July 2012. The Company on 16 June 2015 undertook a share consolidation of 1 new ordinary share of no par value in the Company for every 20 existing ordinary shares of no par value in the Company. As a result of the share consolidation the Company had a total of 6,794,126 New Ordinary Shares which were admitted for trading on AIM on 17 June 2015. The Subscription Shares, of which there were 23,205,393 quoted on AIM, were cancelled from trading on AIM with effect from 26 June 2015. The Company also cancelled its unlisted warrants during the year. During the year the Company issued a further 750,000 Ordinary Shares as share based payments amounting to £400,000 and 333,333 Ordinary Shares to new investors raising £200,000 in additional working capital. The number of shares in issue as at 31 March 2016 was 7,877,459.

The Company's initial investment objective was to build a focused natural resource investment vehicle in order to generate positive returns to shareholders. As detailed in the Investment Policy section on page 2 following the result of the EGM on 16 June 2015 the Company's Articles of Incorporation and Investment Policy were changed to that of investment in a diversified portfolio of royalty finance and related opportunities.

Results and dividends

The Company's performance during the year is discussed in the Chairman's Report on pages 3 and 4. The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 15. The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: £nil)

At the year end the net assets attributable to the ordinary shareholders were £2,070,315 (2015: £3,136,344) and the net asset value per Ordinary Share was 27 pence (2015: 137 pence). Prior year net asset value per Ordinary Share has been adjusted to reflect the share consolidation on 16 June 2015.

Taxation

The Company has been granted exemption from Guernsey taxation and is charged an annual exemption fee of £1,200. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax.

Shareholder information

Up to date information regarding the Company, including its net asset value, can be found on the Company's website, which is www.dukeroyalty.com.

Annual General Meeting

The notice for the Annual General Meeting of the Company, which is to be held on 1 September 2016 at 11 am, is on page 46 of this document. The form of Proxy for the Annual General Meeting will accompany these Consolidated Financial Statements.

Directors' responsibilities statement

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

Company law allows the Directors to prepare Consolidated Financial Statements for each financial year. Under that law the Directors have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS").

The Directors are permitted by the Companies (Guernsey) Law, 2008 to prepare Consolidated Financial Statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the surplus or deficit of the Group for that period.

In preparing those 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 Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Consolidated Financial Statements.

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

The Directors who held office at the date of approval of this report confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors

The Directors of the Company, who served during the year, and subsequently, are shown below:

Director	Appointed	Resigned
Nigel Birrell	16 June 2015	-
Charles Cannon-Brookes	16 June 2015	-
Kaare Foy	9 June 2014	16 June 2015
Neil Johnson	16 June 2015	-
Robert King	16 October 2006	3 March 2016
James Ryan	16 June 2015	-
Nathan Steinberg	9 June 2014	16 June 2015
Mark Le Tissier	4 March 2016	-

Directors (continued)

The Directors held the following interest in the share capital of the Company either directly or beneficially.

Director	Ordinary Shares 2016	Ordinary Shares 2015 *
N Johnson	910,000	400,000
C Cannon-Brookes	453,517	148,517
N Birrell	400,000	400,000
J Ryan	400,000	400,000
M Le Tissier	-	-

* The number of Ordinary Shares held in the previous year has been adjusted to reflect the share consolidation.

The Directors who served in the year received the following remuneration during the year:

Director	Entitlement per annum	2016 £	2015 £
R King ^^^	27,500	25,208	20,000
K Foy ^	-	-	5,000
N Steinberg ^	-	-	10,000
R Lockwood ^^	-	-	20,750
M Hohnen ^^	-	-	20,750
N Johnson ^^^^	100,000	81,167	-
C Cannon-Brookes ^^^^	70,000	55,377	-
N Birrell* ^^^^	24,000	18,921	-
J Ryan ^^^^	24,000	18,921	-
M Le Tissier^^^^^	_	_	_
Total remuneration		199,594	76,500

* Chairman.

^ Mr Foy and Mr Steinberg were appointed to the Board on 9 June 2014 and resigned on 16 June 2015.

^^ Mr Lockwood and Mr Hohnen retired from the Board on 9 June 2014.

^^^ Mr King resigned from the Board on 3 March 2016.

^^^^ Mr Johnson, Mr Cannon-Brookes, Mr Birrell and Mr Ryan were appointed to the Board on 16 June 2015.

^^^^^ Mr Le Tissier was appointed to the Board on 4 March 2016.

Directors' authority to buy back shares

A shareholder resolution, which took effect upon Admission to AIM, has been passed granting the Board authority to make market purchases of up to 14.99 per cent of the Ordinary Shares and 14.99 per cent of the Subscription Shares in issue during any twelve month period. Any repurchase of Ordinary Shares or Subscription Shares will be made in accordance with the Articles of Association of the Company and the Companies (Guernsey) Law, 2008, as amended, and within guidelines established from time to time by the Board and will be at the absolute discretion of the Board, and not at the option of the Shareholders.

This authority will lapse on the date of the Company's next annual general meeting. Subject to Shareholder authority for proposed repurchases, general purchases of up to 14.99 per cent of the Ordinary Shares in issue and up to 14.99 per cent of the Subscription Shares in issue will only be made through the market.

The minimum price (exclusive of expenses) which may be paid for an Ordinary Share or a Subscription Share is £0.01 per share and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share or a Subscription Share shall be not more than five per cent above the average of the middle market quotation for the Ordinary Shares or the Subscription Shares (as appropriate) for the five business days before the purchase is made.

Directors' authority to buy back shares (continued)

Any repurchase by the Company of 15 per cent or more of any class of its shares (excluding shares of that class held in treasury) will be effected by way of a tender offer to all Shareholders of that class.

When Ordinary Shares trade at a substantial discount to the NAV per Ordinary Share and do not coincide with trading volumes in the market, the Directors may feel that it is appropriate to make such purchases.

Shareholders' significant interests

The following shareholders had a substantial interest either directly or beneficially of 3% or more of the Company's issued share capital as at 31 March 2016.

Shareholder/ Nominee Account	Ordinary shares held	% of the Ordinary Share capital
Neil Johnson	910,000	11.55%
Artemis Investment Management Plc	455,543	5.78%
Jim Ryan	400,000	5.08%
Nigel Birrell	400,000	5.08%
Richard Lockwood	383,550	4.87%
Justin Cochrane	315,000	4.00%
Arlington Group Asset Management Limited *	295,000	3.74%
Malcolm Burne	260,116	3.43%
APAC Resources Limited	260,911	3.31%
Ravenscroft Ltd	250,000	3.17%

* Mr. Cannon Brookes is a director of Arlington Group Asset Management Limited and holds 50 per cent. of the voting shares of Arlington.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report and Consolidated Financial Statements are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Company's website.

The Notice of the Annual General Meeting included within the Annual Report and Consolidated Financial Statements is sent out 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for shareholders. The Company Secretary and representatives from Arlington Group Asset Management Limited and Abingdon Capital Corporation are available to answer general queries.

Corporate governance

The Board of Directors is responsible for the corporate governance of the Company. As a Guernsey incorporated company and under the AIM rules for companies, the Company is not required to comply with The UK Corporate Governance Code published by the Financial Reporting Council ("UK Code"). However, the Directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and as such the Company is committed to complying with the corporate governance obligations appropriate to the Company's size and nature of business. The Company does not, nor does it intend to, adopt the UK Code.

As a Guernsey incorporated company, the Company is required to comply with the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission ("GFSC Code") introduced on 1 January 2012. During the year the Board has continued the process of reviewing the elements of the GFSC Code that it deems to be practical and relevant to a Company of this size and nature.

The Directors continue to review and assess the most appropriate Corporate Governance processes, while at all times maintaining high standards of, and generally accepted best practices of, Corporate Governance.

The Board

The Board, whose membership, and where relevant independence, is disclosed above, meets at least four times a year. Between the formal meetings there was regular contact with the Advisory and Execution Team/Support Services Providers, the Company Secretary and the Investment Committee. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors. The Directors also have access to the Administrator and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company. The Board is responsible for the appointment and monitoring of all service providers to the Company.

The Board has engaged specific individuals and external companies to undertake the investment management, administrative and custodial activities of the Company. Clear documented contractual arrangements are in place with these individuals and firms, which define the areas where the Board has delegated responsibility to them.

It remains the responsibility of the Board to assess whether the outsourced activities are being performed adequately, to ensure that the Company has adequate resources and to establish procedures, including compliance plans, to be able to monitor the performance of third parties performing the outsourced activities. The Directors believe that the Board has a balance of skills and experience which enables it to perform these assessments, to provide effective strategic leadership and proper governance of the Company. The Board has considered non-financial areas of risk such as disaster recovery and staffing levels within service providers and considers adequate arrangements to be in place.

At the quarterly Board Meetings going forward the Board will meet regularly with the Investment Committee to review strategy and deal flows.

The Company maintains insurance in respect of directors' and officers' liability in relation to their acts on behalf of the Company. Suitable insurance is in place and has been renewed for the period until 24 June 2016.

As part of the restructuring, Nathan Steinberg and Kaare Foy both resigned with effect from 16 June 2015 and Neil Johnson, Charles Cannon-Brookes, Nigel Birrell and James Ryan joined the Board on 16 June 2015. Rob King resigned with effect from 3 March 2016 and Mark Le Tissier joined the Board on 4 March 2016.

Audit Committee

An Audit Committee had been established with written terms of reference and comprised of all of the Board members until 16 June 2015. The Audit Committee members had recent and relevant financial experience. The terms of reference of the Audit Committee were reviewed and re-assessed for their adequacy on an annual basis. The Audit Committee was disbanded following restructuring and was re-established commencing 27 July 2015 and comprises all board members and is chaired by James Ryan.

Audit Committee (continued)

Role of the Audit Committee

A summary of the Committee's main audit review functions is shown below:

- to review the half year and annual results;
- to review the contract with the key advisers;
- to review and monitor the effectiveness of the internal control systems and risk management systems on which the Group is reliant;
- to review and monitor the effectiveness of the Company's other third party service providers;
- overseeing the Company's relationship with the external auditor, BDO Limited, and to review their proposed audit programme of work and their findings;
- approval of the remuneration and terms of engagement of the external auditor;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services; and
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification.

Annual Report and Financial Statements

The Board of Directors are responsible for preparing the Annual Report and Financial Statements. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise and any specific areas which require judgement.

Internal control and financial reporting

The Board is responsible for establishing and maintaining the Group's system of internal controls. Internal control systems are designed to meet the specific needs of the Group and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss.

The key components designed to provide effective internal control are outlined below:

- R&H Fund Services (Guernsey) Limited ("R&H") was responsible for the provision of administration and company secretarial duties for the period under review;
- The duties of investment management, accounting and the custody of assets are segregated. The procedures are designed to complement one another;
- The Audit Committee clearly defines the duties and responsibilities of the Group's agents and advisers in the terms of their contracts; and
- The Board reviews financial information and compliance reports produced by the Administrator on a regular basis.

The Audit Committee reviews the Group's risk management and internal control systems quarterly and believes that the controls are satisfactory, given the size and nature of the Group.

Anti-bribery and corruption

The Board acknowledges that the Group's international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act the Board reviews the perceived risks to the Group arising from bribery and corruption to identify aspects of the business which may be improved to mitigate such risk. The Board has adopted a zero tolerance policy toward bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

Financial risk profile

The Group's main financial instruments comprise investments and cash. The main purpose of these instruments is the investment of Shareholders' funds. The most significant risks that these instruments are subject to are discussed in note 18 to the Consolidated Financial Statements.

Environment

The Group seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken on behalf of the Company.

Going Concern

After making all reasonable enquires the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements as the Company has adequate financial resources to continue in operational existence for the foreseeable future. No financial commitments will be made until further capital has been raised by the Company.

Independent Auditor

The auditor, BDO Limited, has indicated its willingness to continue in office. Accordingly, a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 22 July 2016 and signed on behalf of the Board by:

Nigel Birrell	Mark Le Tissier
Director	Director

Independent Auditor's Report to the Members of Duke Royalty Limited (formerly Praetorian Resources Limited)

We have audited the consolidated financial statements of Duke Royalty Limited for the year ended 31 March 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as endorsed by the European Union (IFRS).

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

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

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

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

CHARTERED ACCOUNTANTS
Place du Pré
Rue du Pré
St Peter Port
Guernsey

22 July 2016

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2016

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Income			
Net capital loss on financial assets at fair value through profit or loss	4	(2,402,040)	(6,059,722)
Investment income	4	-	8,085
Net investment losses	4	(2,402,040)	(6,051,637)
Expenses			
Support services administration fees	5a	(692,333)	(290,000)
Directors' fees	16	(255,252)	(76,500)
Restructuring costs		(137,569)	-
Consultancy fees		(101,139)	-
Directors’ expenses	16	(63,439)	(2,085)
Investment advisory committee fees	16	(44,425)	-
Administration fees	5b	(36,000)	(60,547)
Marketing costs		(33,029)	-
Audit fees		(32,250)	(13,667)
Other expenses	6	(30,876)	(31,178)
Broker fees	5d	(26,055)	(20,000)
Nomad fees	5e	(17,773)	(26,922)
Registrar fees	5f	(17,604)	(5,500)
Custodian fees	5c	(4,121)	(5,292)
Foreign currency loss		(291)	(358)
Advisory and execution team fees	16	-	(120,645)
Legal and professional fees		-	(16,102)
Total expenses		(1,492,156)	(668,796)
Operating loss		(3,894,196)	(6,720,433)
Finance income		646	185
Finance costs	14	(153,066)	(207,121)
Loss for the financial year		(4,046,616)	(6,927,369)
Other comprehensive income		-	-
Total comprehensive expense for the year		(4,046,616)	(6,927,369)
Basic and diluted deficit per share (pence) (restated)	8	(0.65)	(3.03)

All activities derive from continuing operations. All income is attributable to the holders of the Ordinary Shares of the Company.

The notes on pages 19 to 42 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

	Shares Issued	Warrants Issued	Treasury Shares	Retained Earnings	Share Option Reserve	Total Equity
	£	£	£	£	£	£
At 1 April 2015	24,208,640	72,454	-	(21,144,750)	-	3,136,344
Total comprehensive expense for the year	-	-	-	(4,046,616)	-	(4,046,616)
Transactions with owners						
Shares issued						
- Share based payments	400,000	-	-	-	-	400,000
- Issued for cash	2,456,175	-	-	-	-	2,456,175
Share options	-	-	-	-	124,412	124,412
Total transactions with owners	2,856,175	-	-	-	124,412	2,980,587
At 31 March 2016	27,064,815	72,454	-	(25,191,366)	124,412	2,070,315
At 1 April 2014	24,677,936	72,454	(310,655)	(14,217,381)	-	10,222,354
Total comprehensive expense for the year	-	-	-	(6,927,369)	-	(6,927,369)
Transactions with owners						
Shares issued						
- Share based payments	470,000	-	-	-	-	470,000
Shares bought back and cancelled	(939,296)	-	-	-	-	(939,296)
Treasury shares cancelled	-	-	310,655	-	-	310,655
Total transactions with owners	(469,296)	-	310,655	-	-	(158,641)
At 31 March 2015	24,208,640	72,454	-	(21,144,750)	-	3,136,344

The notes on pages 19 to 42 form an integral part of these Consolidated Financial Statements

Consolidated Statement of Financial Position

As at 31 March 2016

	Notes	31 March 2016 £	31 March 2015 £
ASSETS			
Non-Current Assets			
Investments at fair value through profit or loss	4	-	4,083,733
Total non-current assets		-	4,083,733
Current Assets			
Trade and other receivables	13	519,737	7,280
Cash and cash equivalents		1,625,749	517,597
Restricted cash		-	257,080
Total current assets		2,145,486	781,957
Total Assets		2,145,486	4,865,690
EQUITY AND LIABILITIES			
Equity			
Shares issued	10	27,064,815	24,208,640
Warrants issued	10/14	72,454	72,454
Share options	10/11	124,412	-
Retained earnings		(25,191,366)	(21,144,750)
Total Equity		2,070,315	3,136,344
Liabilities			
Non-Current Liabilities			
Loan payable	14	-	1,688,133
Total non-current liabilities		-	1,688,133
Current Liabilities			
Trade and other payables	15	75,171	41,213
Total current liabilities		75,171	41,213
Total Equity and Liabilities		2,145,486	4,865,690
Net asset value per Ordinary Share (excluding shares held in Treasury) (Restated)	17	0.27	1.37

The Consolidated Financial Statements on pages 15 to 42 were approved and authorised for issue by the Board of Directors on 22 July 2016 and were signed on its behalf by:

Nigel Birrell
Director

Mark Le Tissier
Director

The notes on pages 19 to 42 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 March 2016

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Cash flows from operating activities			
Purchase of investments	4	-	(431,337)
Proceeds from sale of investments	4	1,165,158	1,101,514
Interest and investment income		646	8,270
Operating expenses paid		(929,708)	(319,943)
Net cash inflow from operating activities		236,096	358,504
Cash flows from financing activities			
Proceeds from issue of shares	10	2,456,175	-
Share buybacks	10	-	(628,641)
Repayment of loan	14	(1,688,133)	-
Finance costs paid		(153,066)	-
Escrow payments under loan agreement		257,080	(257,080)
Net cash inflow/(outflow) from financing activities		872,056	(885,721)
Net change in cash and cash equivalents		1,108,152	(527,217)
Cash and cash equivalents at beginning of year		517,597	1,044,814
Cash and cash equivalents at end of year		1,625,749	517,597

The notes on pages 19 to 42 form an integral part of these Consolidated Financial Statements.

1. GENERAL INFORMATION

Duke Royalty Limited (the “Company”) is a closed-ended investment company with limited liability formed under the Companies (Guernsey) Law, 2008. The Company was incorporated in Guernsey on 22 February 2012 and its shares were admitted to trading on the London Stock Exchange’s AIM on 9 July 2012. The Company’s registered office is shown on page 44.

Following the results of an Extraordinary Meeting (the “EGM”) held on 16 June 2015 the Company changed its name to Duke Royalty Limited. At the same EGM the Company changed its Investment Policy and Articles of Incorporation.

The Company’s initial investment objective was to build a focused natural resource investment vehicle in order to generate positive returns to shareholders. As detailed in the investment policy on page 2 following the result of the EGM on 16 June 2015 the Company’s Articles of Incorporation and Investment Policy were changed to that of investment in a diversified portfolio of royalty finance and related opportunities.

The Company’s shares are traded on AIM, a market operated by the London Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) to the extent that they have been adopted by the European Union, and reflect the following policies, which have been adopted and applied consistently.

b) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The “Group” is defined as the Company and its former subsidiaries Praetorian Portfolio Holding L.P., Praetorian Resources (GP) Limited and Praetorian ZDP Limited. During the year the assets and liabilities of the subsidiaries were transferred to the Company and the remaining subsidiaries were put into member’s voluntary liquidation on 23 October 2015.

As at 31 March 2016 the Company no longer has any subsidiaries, however in accordance with IFRS 10 the Company has prepared consolidated financial statements of the Group for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New and amended standards and interpretations

The accounting policies adopted in the year are consistent with those of the previous financial period, with the exception of new standards that have become effective during the year. Although there were a number of new standards and interpretations that apply for the first time for this year end, none of these had any significant impact on the Consolidated Financial Statements.

At the date of authorisation of these Consolidated Financial Statements, the following standards and interpretations, which will become relevant to the Group but have not been applied in these Consolidated Financial Statements, were in issue but not yet effective:

IFRS 9, “Financial Instruments – Classification and Measurement” (effective 1 January 2018 as set by IASB).

IFRS 7, Financial Instruments Disclosures – Amendments regarding initial application of IFRS 9* - effective for when IFRS 9 is applied.

IFRS 15, Revenue from contracts with customers – effective for periods commencing on or after 1 January 2017.*

*still to be endorsed by the EU.

These standards will be adopted by the Group when they become effective. The Directors anticipate that, with the exception of IFRS 9, the adoption of these standards and interpretations in future periods will not have a material impact on the Consolidated Financial Statements of the Group.

Following the restructure and change in objective the Board are undertaking a full review of the impact of IFRS, including those standards not yet effective.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(d) Foreign currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operated (“the functional currency”). The Consolidated Financial Statements are presented in Pounds Sterling (£), which is the Group’s functional and presentation currency.

Transactions in currencies other than Sterling are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Consolidated Statement of Financial Position are retranslated into Sterling at the rate of exchange ruling at that date.

Foreign exchange differences arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated into Sterling at foreign exchange rates ruling at the dates the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics. All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at trade date, being the date on which the Group became party to the contractual requirements of the financial assets. The Group has not classified any of its financial assets as Held to Maturity or as Available for Sale. The Group's financial assets comprise loans and receivables and investments held at fair value through profit or loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise other receivables and cash and cash equivalents. They are initially recognised at fair value on acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment. The effect of discounting on these financial instruments is not considered to be material.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Restricted cash

Restricted cash comprised of the Escrow account and does not form part of Cash or Cash Equivalents.

Financial assets at fair value

Classification

The Group classifies its investments as "financial assets at fair value". These financial assets are designated by the Group at fair value through profit or loss at inception.

Recognition

Purchases and sales of investments are recognised on the trade date, the date on which the Group commits to purchase or sell the investment.

Measurement

Financial assets at fair value are initially recognised at cost, being the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value' category are presented in the Statement of Comprehensive Income in the period in which they arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Fair value estimation
Marketable (Listed) Securities – where an active market exists for the securities, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date.

Unlisted Investments – are carried at such fair value as the Directors consider appropriate given the performance of each investee company and after considering the financial position of the entity, latest news and developments.

Fair value hierarchy
IFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy.

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can readily observe.
Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
Level 3 – inputs that are not based on observable market date (unobservable inputs).

Derecognition of financial assets
A financial asset (in whole or in part) is derecognised either (i) when the Group has transferred substantially all the risks and rewards of ownership; or (ii) when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or (iii) when the contractual right to receive cash flow has expired. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income as appropriate.

Financial liabilities
The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of any financial liability measured at amortised cost.

Financial liabilities measured at amortised cost
These include loans and borrowings, payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Derecognition of financial liabilities
A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Capital
Financial instruments issued by the Group are treated as equity if the holder has only a residual interest in the assets of the Group after the deduction of all liabilities. The Company's Ordinary Shares and Warrants are classified as equity instruments.

The Group considers its capital to comprise its Ordinary Share Capital, Warrants and retained earnings.

Equity instruments
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds.

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves. If such shares are subsequently sold or re-issued to the market, any consideration received, net of any directly attributable incremental transactions costs, is recognised as an increase in equity shareholders' funds through the Share Capital account.

f) Income
Interest income is recognised on a time apportioned basis using the effective interest method. Investment income is recognised on an accrual basis in the Consolidated Statement of Comprehensive Income.

g) Expenses
Expenses are accounted for on an accrual basis.

h) Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Group's performance and to allocate resources is the total return on the Group's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Financial Statements.

For management purposes, due to the Company's restructure and change in investment policy, the Company is now focused on one main operating segment, which is to investment in a diversified portfolio of royalty finance and related opportunities. At the year end the Company has no investments into this segment and has derived no income from it. All of the Group's income was derived from its previous investment policy and main operating segment which was to invest in natural resources stocks, which are located in various jurisdictions. Due to the Group's nature it has no customers.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share based payments

The Group operates an equity settled Share Option Plan for its directors and key advisers. As the shares issued vest immediately the Group recognises the full expense within the Statement of Comprehensive Income with the corresponding amount recognised in a share option reserve. The key inputs into the model are disclosed in note 11.

The group also settles a portion of expenses by way of share based payments, these expenses are settled based on the fair value of the service received as an expense with the corresponding amount increasing equity.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

Fair value of unlisted investments

In the process of applying the Group’s accounting policies, management has made the following judgements, which had the most significant effects on the amounts recognised in the Consolidated Financial Statements:

The Group uses valuation techniques that include inputs that are not based on the observable market data to estimate the fair value its unlisted investments. Significant judgement has been applied by the directors when valuing these investments.

For one investment the directors have applied a full discount to unaudited NAV of US$ 484,455. In forming this conclusion, the Directors have taken into account all available information including; the NAV includes significant projects that have not been valued since 2011, the decline in the market since the latest audited NAV values of 2012, Projects not being able to be realised despite efforts to secure sales, the illiquidity of the investment and restriction over sale from the debenture holder. In addition the projects are not income generating and there is a significant interest payable on the loan.

Two of the Company’s other unlisted investments were listed on the Toronto Stock exchange until 17 September 2014 and 25 September 2015 respectively after which the investments were suspended. The final investment is an unlisted warrant that after using the Black Scholes valuation method is carried at nil value. The directors have applied a 100% discount to the latest traded prices of both investments. The last traded price of the holdings were £176,652 and £50,970 respectively.

The Directors believe that the applied valuation techniques and assumptions used are appropriate in determining the fair value of unlisted investments. Further details are provided in Note 4.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Fair value of share options

In applying the Group's accounting policies, management has made judgements in respect of volatility, dividend yield and estimated exercise date which are not based on observable data. See note 11 for details of inputs used in which the Directors believe to be appropriate.

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended 31 March 2016	Level 1	Level 2	Level 3	Total
	£	£	£	£
Opening Cost	17,631,398	82,119	3,094,348	20,807,865
Cost change	161,355	-	-	161,355
Transfer to level 3	(1,470,445)	-	1,470,445	-
Disposals proceeds	(1,599,574)	(82,119)	-	(1,681,693)
Net realised loss on disposal of investments	(14,722,734)	-	-	(14,722,734)
Closing portfolio cost	-	-	4,564,793	4,564,793
Net accumulated unrealised loss on investments			(4,564,793)	(4,564,793)
Closing valuation	-	-	-	-
Movement in net unrealised gain/(loss) on investments	13,877,198	2,267	(1,558,771)	12,320,694
Net realised loss on disposal of investments	(14,722,734)	-	-	(14,722,734)
Net capital (loss)/gain on fair value of financial assets designated at fair value through profit or loss	(845,536)	2,267	(1,558,771)	(2,402,040)
Investment income	-	-	-	-
Total (losses)/gains on financial assets at fair value through profit or loss	(845,536)	2,267	(1,558,771)	(2,402,040)

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

For the year ended 31 March 2015	Level 1	Level 2	Level 3	Total
	£	£	£	£
Opening Cost	21,235,890	108,679	339,499	21,684,068
Transfer to level 3	(2,754,849)	-	2,754,849	-
Additions at cost	321,845	109,492	-	431,337
Disposals proceeds	(929,562)	(171,952)	-	(1,101,514)
Net realised (loss)/gain on disposal of investments	(241,926)	35,900	-	(206,026)
Closing portfolio cost	17,631,398	82,119	3,094,348	20,807,865
Net accumulated unrealised loss on investments	(13,715,843)	(2,267)	(3,006,022)	(16,724,132)
Closing valuation	3,915,555	79,852	88,326	4,083,733
Movement in net unrealised loss on investments	(2,380,770)	(487,248)	(2,985,678)	(5,853,696)
Net realised (loss)/gain on disposal of investments	(241,926)	35,900	-	(206,026)
Net capital loss on fair value of financial assets designated at fair value through profit or loss	(2,622,696)	(451,348)	(2,985,678)	(6,059,722)
Investment income	8,085	-	-	8,085
Total losses on financial assets at fair value through profit or loss	(2,614,611)	(451,348)	(2,985,678)	(6,051,637)

Financial assets designated at fair value through profit or loss ("financial assets"), are analysed by using a fair value hierarchy that reflects the significance of inputs. Valuation techniques used in the determination of fair values, including the key inputs used, are as follows:

Fair value hierarchy level	Valuation techniques
Level 1	Fair value is the quoted price.
Level 2	In the prior year, the debenture was valued based on a precedent transaction in the prior year on the same investment for the same debenture. The level 2 investment was sold during the year under review.
Level 3	The fair value of investments in the three unlisted entities is derived by applying a discount rate, as deemed appropriate by the Board. The significant unobservable input used in arriving at the fair value is the discount rate applied by the Board. The discount rate used is the best estimate of the measure of the impact of the illiquid nature of the investments together with the certain issues each investment is facing. If the discount rates used in the valuation of financial assets classified as Level 3 under the fair value hierarchy were to decrease by 10%, with all other variables held constant, the NAV would have increased by £17,584 (2015: £17,003) being 0.82% (2015: 0.35%).

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

For financial instruments that are recognised at fair value on a recurring basis, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

During the year to 31 March 2016 there was a transfer from Level 1 to Level 3. The investment was previously listed with quoted prices on an active market. At the year end the investments did not have an active market and were therefore valued by the Board using the Company's valuation policy for unquoted investments. This change caused the Company to reclassify the investments from Level 1 to Level 3.

5. MATERIAL AGREEMENTS

(a) Support services

A Support Service Agreement with Abingdon Capital Corporation ("Abingdon") was signed on 16 June 2015. The services to be provided by Abingdon include global deal origination, vertical partner relationships and on-going investment management, including preparation of investment reports, performance data and compliance with the Company's investing policy. Abingdon is entitled to an annual service fee of £120,000 annually from 16 June 2015, this annual fee increased to £280,000 per annum with effective from 23 October 2015. In addition to the Service Fee, Abingdon shall have the right from time to time to be issued and allotted up to 1,500,000 ordinary shares of no par value in the Company following the conditions noted below.

- each time an investment originating from Abingdon is completed, Abingdon shall be entitled to be issued such number of Incentive Shares (rounded down to the nearest whole number) as is equal to 5% x A/B
- to the extent that an investment does not originate from Abingdon but Abingdon assists the Company in the negotiation and completion of such investment, Abingdon shall be entitled, upon completion of such Investment, to be issued such number of Incentive Shares (rounded down to the nearest whole number) as is equal to 2.5% x A/B.

For the purposes of the calculation "A" is the gross value of the investment and "B" is either: (i) if the Investment is financed (in whole or in part) through an offering of ordinary shares of no par value in the capital of the Company, the price per share at which such ordinary shares are offered, or (ii) if the Investment is financed by any other means, the weighted average closing price on AIM of the ordinary shares for the 20 Business Days immediately preceding the completion of the Investment. As there have been no investments during the year the clause has had no impact on this year's financial statements.

The total charge to the Consolidated Statement of Comprehensive Income for Abingdon was £168,853 (2015: £nil). There were no outstanding amounts at the end of the year (2015: £nil).

For their significant contributions of efforts in and incurred costs and expenses towards the elaboration, development and implementation of the Company's new investment policy and underlying business model, Abinvest Corporation, a wholly owned subsidiary of Abingdon, received an allotment of 500,000 Ordinary Shares of no par value in the Company as bonus shares, equating to a value of £250,000. This is accounted for in the Consolidated Statement of Comprehensive Income under expenses / support services fees (£250,000 of the total support service fee of £692,333). There were no amounts outstanding at the end of the year.

5. MATERIAL AGREEMENTS (continued)

(a) Support services (continued)

Justin Cochrane, a current member of the Company's Healthcare Investment Committee, has agreed to join Abingdon Capital Corporation ("Abingdon") as Executive Vice President, Corporate Development on a full time basis. On 23 October 2015, the Board approved the issue of 250,000 new Ordinary Shares of 60 pence each in the Company to Mr Cochrane as a signing bonus, equating to a value of £150,000. This is accounting for in the Consolidated Statement of Comprehensive Income under expenses / support services fees (£150,000 of the total support service fee of £692,333).

A Support Service Agreement with Arlington Group Asset Management Limited ("Arlington") was signed on 16 June 2015. The services to be provided by Arlington include global deal origination, vertical partner relationships and on-going investment management, including preparation of investment reports, performance data and compliance with the Company's investing policy. Arlington is entitled to an annual service fee of £95,000 per annum.

The total charge to the Consolidated Statement of Comprehensive Income for Arlington was £112,021 of which £17,021 comprises of disbursed costs (2015: £290,000). There were no outstanding amounts at the end of the year. In the prior year all outstanding fees due under the term of the previous service agreement were settled by the issuance of 2,400,000 Ordinary Shares see note 11 for details.

(b) Administration fees

R&H Fund Services (Guernsey) Limited were appointed as Administrator on 1 November 2014. They were entitled to receive a fixed fee of £36,000 per annum, quarterly in arrears, for administration of the Group, as set out in the Administration Agreement. The total charge to the Consolidated Statement of Comprehensive Income was £36,000 (2015: £14,893), of which £9,000 (2015: £9,310) was outstanding at the end of the year. R&H Fund Services (Guernsey) Limited resigned on 31 March 2016.

In the prior year Legis Fund Services Limited was the Administrator up to 31 October 2014. They were entitled to receive a fixed fee of £67,000 per annum, monthly in arrears, for administration of the Group, as set out in the Administration Agreement. The total charge to the Consolidated Statement of Comprehensive Income was £nil (2015: £45,654) of which £nil was outstanding at the end of the year (2015: £nil).

(c) Custodian fees

The custodian, ABN AMRO (Guernsey) Limited, was entitled to receive a fee from the Group at the rate of 0.08 per cent of the net asset value of Praetorian Portfolio Holdings L.P, payable monthly in arrears commencing 26 June 2012, as set out in the Custodian Agreement. ABN AMRO (Guernsey) Limited resigned on 30 September 2015. The total charge to the Consolidated Statement of Comprehensive Income was £1,881 (2015: £5,292), of which £nil was outstanding at the end of the year (2015: £903). The total charge of £4,121 includes £2,240 of custodian fees payable to Ravenscroft Limited whom became custodian and broker dealer during the year.

(d) Corporate broker fees

On 4 July 2012 Pareto Securities Limited (previously Ocean Equities Limited) was appointed to act as the Company's Broker. The Broker was entitled to receive £20,000 per annum calculated from the date of Admission payable quarterly in advance. The total charge to the Consolidated Statement of Comprehensive Income was £26,055 (2015: £20,000) of which £6,055 was payable to Peel Hunt LLP. There were no outstanding fees at the end of the year (2015: £nil). Pareto Securities Limited resigned as broker effective 18 January 2016 and Peel Hunt LLP was appointed as the Company's new Broker and Nominated Advisor and will receive a combined fee of £30,000 per annum.

5. MATERIAL AGREEMENTS (continued)

(e) Nominated adviser fees

On 9 June 2014 Grant Thornton UK LLP ("Grant Thornton") was appointed by the Company to act as Nominated Adviser to the Company for the purpose of the AIM listing. Grant Thornton was entitled to an annual fee of £20,000, payable quarterly in advance. The total charge to the Consolidated Statement of Comprehensive Income was £17,773 (2015: £26,922) there were no outstanding fees at the end of the year. Grant Thornton resigned as Nominated Advisor effective 18 January 2016 and Peel Hunt LLP was appointed as the Company's new Broker and Nominated Advisor.

(f) Registrar fees

The Company is party to an Offshore Registrar Agreement with Computershare Investor Services (Guernsey) Limited (the "Registrar") dated 30 March 2012, pursuant to which the Registrar will provide registration services to the Company which will entail, among other things, the Registrar having responsibility for the transfer of shares, maintenance of the share register and acting as transfer and paying agent. For the provision of such services, the Registrar is entitled to receive a minimum annual fee of £5,500. The total charge to the Consolidated Statement of Comprehensive Income was £17,604 (2015: £5,500), there were no amount outstanding at the end of the year (2015: £nil).

(g) Performance fee

Praetorian (Special Limited Partner) L.P. ("PSLP") was a special limited partner under the terms of the Limited Partnership Agreement of Praetorian Portfolio Holding L.P. PSLP was established in order that the Advisory and Execution team may receive interests in any performance incentive fee.

Under the terms of the Limited Partnership Agreement, for any financial year (a "Performance Period"), PSLP was entitled to receive from Praetorian Portfolio Holding L.P. a performance incentive payment equal to 20 per cent of the aggregate return over the full or pro-rata (in the case of partial realisations) cost of investment (including all pro-rata-out-of-pocket costs relating to such investment) received by Praetorian Portfolio Holding L.P. and Praetorian Resources (GP) Limited following the full or partial cash realisation of an investment.

The payment of a performance incentive payment was conditional upon the net asset value per Ordinary Share of the Company at the end of the relevant Performance Period (as adjusted, inter alia, to add back the value of any distributions and accrued but unpaid performance incentive payments) being greater than the net asset value per Ordinary Share at Admission or, if a performance incentive payment has previously been paid, the net asset value per Ordinary Share when a performance incentive payment was last paid.

No such fee was payable for the current year (2015: £nil). The Performance Fee arrangement was cancelled pursuant to the change of Investment Policy on 16 June 2015 and PSLP has been placed into voluntary liquidation.

6. OTHER EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Sundry expenses	10,677	16,999
Insurance premiums	10,718	9,193
Listing fees	9,481	4,986
	30,876	31,178

7. TAXATION

The Company has been granted exemption from Guernsey taxation and is charged an annual exemption fee of £1,200.

8. DEFICIT PER SHARE

Basic and diluted deficit per ordinary share	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Loss for the year	(4,046,616)	(6,927,369)
Weighted average number of Ordinary Shares in issue	6,188,379	2,287,398
Deficit Per Share (pence)	(0.65)	(3.03)

The deficit per share is based on the Group loss for the year and on the weighted average number of Ordinary Shares in issue for the year. The weighted average number of shares in the previous year has been adjusted to reflect the share consolidation (note 10). The share options and warrants in issue are not dilutive at the year end but could become dilutive in future periods. For more details on the share options and warrants see note 11 and 14.

9. DIVIDENDS

No dividend was declared or paid in respect of the year ended 31 March 2016 (2015: £nil).

10. SHARES ISSUED

	Number of Warrants	Number of subscription shares	Number of ordinary Shares in issue	£
Authorised				
Unlimited number of shares of no par value	-	-	-	-
Allotted, called up and fully paid:				
As at 1 April 2015	7,263,922	23,205,393	45,635,936	24,281,094
Shares issued before consolidation	-	-	90,247,000	2,256,175
Share consolidation	(6,900,726)	-	(129,088,810)	-
Cancellation of subscription shares	-	(23,205,393)	-	-
Shares issued after consolidation				
- Share based payments	-	-	750,000	400,000
- Issued for cash	-	-	333,333	200,000
As at 31 March 2016	363,196	-	7,877,459	27,137,269

On 20 May 2015 the Company announced that 90,247,000 new ordinary shares had been issued at 2.5 pence per ordinary share enlarging the issued share capital of the Company to 135,882,936 Ordinary Shares. The proceeds of £2,256,175 from the issuance of these new ordinary shares provided additional working capital for the Company.

On 16 June 2015 the Company undertook a share consolidation of 1 new ordinary share of no par value in the Company for every 20 existing ordinary shares of no par value in the Company. At the time the Company had a total of 7,294,126 New Ordinary Shares which were admitted for trading on AIM on 17 June 2015.

Of this total, 6,794,126 Ordinary Shares were issued in respect of the share consolidation and 500,000 Ordinary Shares were issued to Abinvest Corporation a wholly owned subsidiary of Abingdon Capital Corporation (see note 5a for further details). The New Ordinary Shares have been allocated stock identification codes as follows: SEDOL code BYZSSY6 and ISIN code GG00BYZSSY63.

On 7 September 2015 the Company announced that 333,333 new Ordinary Shares had been issued to new investors at sixty pence per Ordinary Share enlarging the issued share capital of the Company to 7,627,459 Ordinary Shares. The proceeds of £200,000 from the issuance of these new ordinary shares provided additional working capital for the Company.

On 23 October 2015, the Board approved the issue of 250,000 new Ordinary Shares of 60 pence each in the Company to Mr Cochrane as a signing bonus, further cementing his alignment with shareholders. Following this issue, the total number of shares with voting rights in the Company is 7,877,459.

The Company had a line of AIM quoted subscription shares of no par value in the capital of the Company (the "Subscription Shares"). As set out in its announcement on 28 May 2015, the final subscription date of the Company's Subscription Shares was 16 June 2015. Following which, all outstanding Subscription Shares (that is, those that have not converted into ordinary shares following the exercise of a subscription right) were cancelled.

10. SHARES ISSUED (continued)

Following the passage of the resolutions at the EGM, the Subscription Shares, of which there were 1,160,270 quoted on AIM, were cancelled from trading on AIM with effect from 8.00 am on 26 June 2015.

In addition the Company consolidated the 7,263,922 unlisted warrants at a price of £0.2065 per warrant to 363,196 unlisted warrants at a price of £4.13 per warrant. The warrants were cancelled on 22 May 2015.

11. SHARE BASED PAYMENTS

a) Share Options

On 7 September 2015 the Company announced that a new share option scheme ("the Scheme") has been adopted by the Board of the Company, together with the initial grants made under the share option scheme. The Scheme has been established to incentivise directors, staff and certain key advisers and consultants to deliver long-term value creation for shareholders.

Under the Scheme, the Board of the Company will award, at its sole discretion, options to subscribe for Ordinary Shares of the Company on terms and at exercise prices and with vesting and exercise periods to be determined at the time. However, the Board of the Company has agreed not to grant options such that the total number of unexercised options represents more than 10 per cent of the Company's Ordinary Shares in issue from time to time.

The Company also operates an equity settled share based scheme for directors and specified consultants. Options vest immediately and will lapse 5 years from the date of grant of 7 September 2015.

	Weighted average exercise price in pence	Number
Outstanding 1 April 2015	-	-
Granted during the year	75	760,000
Forfeited during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at 31 March 2016	75	760,000

The exercise price of options outstanding at 31 March 2016 was 75 pence and their weighted average contractual life was 5 years (2015: Nil).

Of the total number of options outstanding at 31 March 2016, 760,000 (2015: nil) had vested and were exercisable.

11. SHARE BASED PAYMENTS (continued)

a) Share Options (continued)

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share based remuneration schemes operated by the Company.

Equity settled share based payment	
Option pricing model used	Black Scholes
Weighted average share price at grant	58.50 Pence
Weighted average contractual life in days	1,619
Expected volatility	40%
Dividends growth rate	0%
Risk free rate	1.27%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices for comparable companies over the last three years.

The total share based remuneration expenses charged to the Consolidated Statement of Comprehensive Income statement is as follows:

	31 March 2016	31 March 2015
	£	£
Directors' fees	55,658	-
Consultancy fees	34,377	-
Investment advisory committee fees	22,918	-
Support services administration fees	11,459	-
Total	124,412	-

b) Other Share Based Payments

	31 March 2016	31 March 2015
	£	£
Abington	250,000	-
Justin Cochrane	150,000	-
Alington	-	210,000
Mark Hohnen	-	11,750
Malcolm Burne	-	35,583
Richard Lockwood	-	23,833
Charles Cannon-Brooks	-	23,834
	400,000	305,000

Of the total £470,000 shares issued in the prior year per note 10, £165,000 was paying previous accrued expenses.

11. SHARE BASED PAYMENTS (continued)

b) Other Share Based Payments (continued)

Other share based payments are charged to the Consolidated Statement of Comprehensive Income as follows:

	31 March 2016 £	31 March 2015 £
Directors' fees	-	23,500
Consultancy fees	-	71,500
Support services administration fees	400,000	210,000
Total	400,000	305,000

The total share based payments expenses charged to the Consolidated Statement of Comprehensive Income comprise of:

	31 March 2016 £	31 March 2015 £
Directors' fees	55,658	23,500
Consultancy fees	34,377	71,500
Investment advisory committee fees	22,918	-
Support services administration fees	411,459	210,000
Total	524,412	305,000

12. RETAINED EARNINGS

Pursuant to the Companies (Guernsey) Law, 2008 (as amended), all reserves (including share capital) can be designated as distributable. However, in accordance with the Admission Document, the Company shall not make any distribution of capital profits or capital reserves except by means of capitalisation issues in the form of fully paid Ordinary Shares or issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares.

13. TRADE AND OTHER RECEIVABLES

	31 March 2016 £	31 March 2015 £
Prepayments and accrued income	3,202	7,280
Unsettled trades	516,535	-
	519,737	7,280

The unsettled trades are in respect of an investment which was sold on 23 March 2016 and the proceeds were received in cash on 6 April 2016.

14. LOAN

On 22 May 2015, the Company repaid its 1,500,000, unlisted, zero dividend £1 preference shares issued to Damille Investments II Limited. The total amount paid to Damille Investments II Limited was £1,841,199 which included all accrued interest and redemption charges. As a result, the Company has no loans outstanding.

As part of the Agreement with Damille, the Company issued 7,263,922 unlisted warrants to Damille with an exercise price of £0.2065 per warrant (to subscribe for Ordinary Shares in the Company on a 1:1 basis). Following the 20:1 Share Consolidation on 16 June 2015 there were 363,196 unlisted warrants with an exercise price of £4.13 (to subscribe for Ordinary Shares in the Company on a 1:1 basis). These warrants remain outstanding and expire on 30 September 2016.

15. TRADE AND OTHER PAYABLES

	31 March 2016	31 March 2015
	£	£
Audit fees	25,000	21,000
Administration fees (note 5b)	9,000	9,310
Directors fees (note 16)	31,171	10,000
Custodian fees (note 5c)	-	903
Investment committee fees (note 16)	10,000	-
	75,171	41,213

16. RELATED PARTIES

Robert King has waived his entitlement to a fee in relation to Praetorian Resources (GP) Limited with effect from 1 April 2013.

Mr John Butler Gareth Smith, a Director of R&H Fund Services (Guernsey) Limited was appointed as Director of Praetorian Resources (GP) Limited on 1 November 2014. Mr Smith has waived his entitlement to a fee in relation to Praetorian Resources (GP) Limited.

Praetorian Resources (GP) Limited was put into voluntary liquidation on 23 October 2015.

16. RELATED PARTIES (continued)

Directors were entitled to the following remuneration during the year;

	Entitlement per annum	Charge for year to 31/03/2016	Charge for year to 31/03/2015	Outstanding at year end 31/03/2016	Outstanding at year end 31/03/2015
	£	£	£	£	£
Robert King	27,500	25,208	20,000	4,583	5,000
Kaare Foy	-	-	5,000	-	5,000
Nathan Steinberg	-	-	10,000	-	-
Richard Lockwood	-	-	20,750	-	-
Mark Hohnen	-	-	20,750	-	-
Neil Johnson	100,000	81,167	-	8,755	-
Charles Cannon-Brookes	70,000	55,377	-	5,833	-
Nigel Birrell	24,000	18,921	-	6,000	-
James Ryan	24,000	18,921	-	6,000	-
Mark Le Tissier	-	-	-	-	-
		199,594	76,500	31,171	10,000

Within the charge of £255,252 for directors fees within the Consolidated Statement of Comprehensive Income is £55,658 in respect of the value of share options issued (See note 11).

Directors were also reimbursed for £63,439 (2015: £2,085) of expenses incurred on business on behalf of the Company.

On 4 July 2012 the Company had entered into service agreements with the Advisory and Execution team members, to provide investment advice for the Board to consider, and general investment assistance to the Board as and when requested. The agreement was terminated on 16 June 2015 following the change in the Company's Investment Policy.

Prior to the termination of the Advisory and Execution team agreements on 16 June 2015 the members of the Advisory and Execution team were entitled to receive fees monthly in arrears as per below.

	Entitlement per annum	Charge for year to 31/03/2016	Charge for year to 31/03/2015	Outstanding at year end 31/03/2016	Outstanding at year end 31/03/2015
Richard Lockwood	30,500	-	14,654	-	-
Malcolm Burne	50,000	-	24,423	-	-
Charles Cannon-Brookes	50,000	-	81,568	-	-
		-	120,645	-	-

As disclosed in the 2013 Annual Report with effect from 1 April 2013 all such fees were deferred until further notice. On 30 June 2014 the Company announced the issuance of 2,000,000 Ordinary shares at a price of £0.13 per share, equating to a value of £260,000 in lieu of director and consultancy fees due to Messrs Lockwood, Burne and Cannon-Brookes and director fees due to Mr Hohnen. Charles Cannon Brookes was paid an additional £50,000 plus travel of £7,145 in respect of additional work undertaken for the sale of the Company's investments.

16. RELATED PARTIES (continued)

Praetorian (Special Limited Partner) L.P. ("PSLP") was a special limited partner under the terms of the Limited Partnership Agreement of Praetorian Portfolio Holding L.P. PSLP had been established in order that the Advisory and Execution team may receive interests in any performance incentive fee. The basis of the performance incentive fee is laid out in the AIM admission document and in note 5 above. No such fee was payable during the year (2015: £nil). PSLP has been put into voluntary liquidation.

During the year the Company announced the formation of its Healthcare Investment Committee who will assist the Company in analysing and recommending potential healthcare royalty transactions. Along with Neil Johnson the Investment Committee is made up of members of Oliver Wyman and independent representatives. During the year £21,507 was paid to the committee members, of which £10,000 was outstanding at the year end. Neil Johnson does not earn a fee for his role on the Investment Committee. The fees were paid as follows:

	Entitlement per annum	Charge for year to 31/03/2016	Charge for year to 31/03/2015	Outstanding at year end 31/03/2016	Outstanding at year end 31/03/2015
	£	£	£	£	£
A Carragher	20,000	22,213	-	5,000	-
J Webster	20,000	22,212	-	5,000	-
		44,425	-	10,000	-

Included in the charge above is £22,918 in respect of share options issued to Messer Carragher and Webster.

The related parties' interests in the share capital of the Company are as follows:

Name	Pre-issue holding at 31March 2015	Participation in Placing On 20 May 2015	Holding after share consolidation on 16 June 2015	Additional shareholdings in year	Holding at 31 March 2016	Percentage of enlarged share capital
Charles Cannon-Brookes	970,335	2,000,000	148,517	10,000	158,517	2.01%
Malcolm Burne	1,395,228	3,000,000	219,761	40,355	260,116	3.30%
Richard Lockwood	3,471,000	4,000,000	373,550	10,000	383,550	4.87%
N Johnson	-	8,000,000	400,000	-	400,000	5.08%
N Birrell	-	8,000,000	400,000	-	400,000	5.08%
J Ryan	-	8,000,000	400,000	-	400,000	5.08%
J Cochrane	-	-	-	315,000	315,000	4.00%
Arlington Group Asset Management Limited	5,000,000	-	250,000	45,000	295,000	3.74%

16. RELATED PARTIES (continued)

Name	Pre-issue holding at 31March 2015	Participation in Placing On 20 May 2015 Issued pursuant to EGM / consolidation	Holding after share consolidation on 16 June 2015	Additional shareholdings in year	Holding at 31 March 2016	Percentage of enlarged share capital
Abinvest Corporation	-	500,000	500,000	-	500,000	6.35%

Charles Cannon-Brookes is a Director and shareholder of Arlington Group Asset Management Limited which owns 295,000 Ordinary Shares and is therefore interested in 453,517 Ordinary Shares representing 5.76 per cent of the total voting rights.

Neil Johnson is a Director of Abinvest Corporation and Abingdon Capital Corporation. Abinvest Corporation is a wholly owned subsidiary of Abingdon Capital Corporation. He owns 500,000 Ordinary Shares through Abinvest Corporation and 10,000 Ordinary Shares through RBK&C Trust and therefore has an overall interest in the 910,000 Ordinary Shares of the Company representing 11.55 per cent of the total voting rights.

Justin Cochrane, a current member of the Company's Healthcare Investment Committee, has agreed to join Abingdon Capital Corporation ("Abingdon") as Executive Vice President, Corporate Development on a full time basis. On 23 October 2015, the Board approved the issue of 250,000 new Ordinary Shares of 60 pence each in the Company to Mr Cochrane as a signing bonus, further cementing his alignment with shareholders. Mr Cochrane overall interest in the Ordinary Shares of the Company is 315,000 Ordinary Shares representing 4.00 per cent of the total voting rights.

As detailed in note 11 the Company has adopted a new share option scheme ("the Scheme") to incentivise Directors, staff and certain key advisers and consultants to deliver long-term value creation for shareholders. The Company also operates an equity settled share based scheme for directors and specified consultants. Options vest immediately and will lapse 5 years from the date of grant of 7 September 2015. Included in the change to the Consolidated Statement of Comprehensive Income is £55,658 in relation to share options as detailed in note 11.

Support Service Agreements with Abingdon Capital Corporation ("Abingdon") and Arlington Group Asset Management Limited ("Arlington") were signed on 16 June 2015. The services to be provided by both Abingdon and Arlington include global deal origination, vertical partner relationships and on-going investment management, including preparation of investment reports, performance data and compliance with the Company's investing policy. See note 5a for additional information.

The Directors are not aware of any ultimate controlling party.

17. NET ASSET VALUE PER SHARE

	31 March 2016	31 March 2015
	£	£
Net asset value attributable to Ordinary Shares per Consolidated Financial Statements	2,070,315	3,136,344
Shares in issue at year end	7,877,459	2,281,797*
NAV per share - Consolidated Financial Statements	0.2628	1.3745

* The shares in issue in the previous year have been adjusted to reflect the share consolidation (note 10).

18. FINANCIAL RISK MANAGEMENT

The Group's investing activities expose it to various types of risk that are associated with the investee companies in which it invests. The most important types of financial risk to which the Group is exposed are market risk, liquidity risk and credit risk. Market risk includes price risk, foreign currency risk and interest rate risk. The Board of Directors has overall responsibility for risk management and the policies adopted to minimise potential adverse effects on the Group's financial performance.

The policies and processes for measuring and mitigating each of the main risks are described below.

Market Risk

Market risk

Market risk is the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movements. As the Group's investments are carried at fair value with changes recognised in the Consolidated Statement of Comprehensive Income, all changes in market conditions ultimately affect net assets.

The Company's financial assets comprise of four illiquid investments at £nil value. A sensitivity in respect of these assets is presented in note 4.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The presentation currency of the Company is Sterling.

The Group does not have any financial assets or other financial instruments in foreign currencies other than those illiquid investments noted in note 4. Accordingly no sensitivity has been prepared. The prior year currency sensitivity is presented below.

	Listed Investments	Unlisted Investments	Cash	Other Net Assets
As at 31 March 2015	£	£	£	£
Australian Dollar (AUD)	983,862	70,380	3,596	-
Canadian Dollar (CAD)	2,107,694	97,798	34,040	1,613
	3,091,556	168,178	37,636	1,613

18. FINANCIAL RISK MANAGEMENT (continued)

Currency risk (continued)

	Listed Investments	Unlisted Investments	Cash
	31/03/2015	31/03/2015	31/03/2015
	£	£	£
Increase in FX rate			
Australian Dollar (AUD)	(89,442)	(6,398)	(327)
Canadian Dollar (CAD)	(191,609)	(8,891)	(3,095)
Decrease in FX rate			
Australian Dollar (AUD)	109,318	7,820	400
Canadian Dollar (CAD)	234,188	10,866	3,782

Interest rate risk

The interest rate profile of the Group's financial assets and liabilities as at the Consolidated Statement of Financial Position date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Fixed rate financial liabilities
	£	£	£	£
As at 31 March 2016	1,223,678	-	-	-
As at 31 March 2015	774,677	-	110,011	1,688,133

The Group finances its operations through Shareholders' capital, loans and reserves. During the year the Group received only minimal interest on its cash and cash equivalents, £646 (2015: £185). It also accrued interest income of £nil (2015: £8,085) in relation to fixed interest accrued on an investment. The Company has accrued £nil (2015: £267,115) of interest on the loan, disclosed in note 14, which was drawndown during the year ended 31 March 2014 and repaid on 22 May 2015. This was accrued at a fixed rate of interest of 11% over the term of the loan. Where the interest rates are fixed the risk is mitigated as the Group's cash flows are not subject to fluctuation. All other assets and liabilities of the Group are non-interest bearing.

At 31 March 2016 cash and cash equivalents of £1,625,749 (2015: £517,597) were potentially exposed to movements in interest rates. At the current time any movement in interest rates would not have a material financial impact on the Group. Therefore, the Group does not hedge against the interest rate risk to which it is exposed.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments.

The Group maintains sufficient cash to pay accounts payable and accrued expenses as they fall due. The Group's overall liquidity risks are monitored on a quarterly basis by the Board.

18. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Currently the value of the residual portfolio of unlisted investments totals £nil. The Board considers the portfolio of unlisted investments to be illiquid due to the investments being delisted, suspended or being in liquidation. The Company may not be able to liquidate these positions in the near term or at all and as such has marked the valuation to zero on each. The write down of these assets to £nil includes other factors as discussed in note 4.

The contractual, undiscounted cash flows of the Group's current liabilities, which are equal to the fair value of the Group's current liabilities, consisting of trade and other payables and loans payable, are all payable within three months and total £75,171 (2015: £41,213).

The following illustrates the maturity analysis of the Group's undiscounted contractual cash flows for liabilities.

As at 31 March 2016	Due < 3 months £	Due 3 - 12 months £	Due > 12 months £	Due within 1 - 5 years £	Total £
Trade and other payables	75,171	-	-	-	75,171
Total	75,171	-	-	-	75,171

As at 31 March 2015	Due < 3 months £	Due 3 - 12 months £	Due > 12 months £	Due within 1 - 5 years £	Total £
Loan ^	-	-	-	2,051,447	2,051,447
Trade and other payables	41,213	-	-	-	41,213
Total	41,213	-	-	2,051,447	2,092,660

^ The loan was repaid in full on 22 May 2015.

Given that the operating costs of the Group are generally known, contractually fixed costs, the Board is of the opinion that the Group is not exposed to any undue liquidity risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. It is the opinion of the Board of Directors that the carrying amounts of financial assets best represent the maximum credit risk exposure at the financial reporting date.

At the financial reporting date the only financial assets which are subject to credit risk are cash and cash equivalents totalling £1,625,749 (2015: £517,597) and the unsettled trade of £516,535 which has been received in cash on 4 April 2016 and so are now part of the credit risk of Barclays as shown below.

18. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

All of the cash and cash equivalents held by the Group are with Barclays Bank Plc ("Barclays"). Cash held with Ravenscroft at the year end was transferred into Barclays on 11 April 2016. Accordingly the Group is only exposed to credit risk at Barclays. Insolvency of Barclays may cause the Group's rights with respect of the cash and cash equivalents held by it to be delayed or limited. The Group monitors this risk by reviewing the credit rating of Barclays at the time of setting up accounts and on an ad hoc basis. Moody's bank financial strength rating for Barclays is A2 (2015: A2) as at the date of signing these Consolidated Financial Statements. The Board considers that the risk of holding cash and cash equivalents with Barclays is acceptable.

As at 31 March 2016 there were no financial assets which were past due or impaired (2015: £nil).

Capital management

The Board manages the Company's capital with the objective of being able to continue as a going concern while maximising the return to shareholders through the capital appreciation of its investments. The capital structure of the Company consists of equity as disclosed in the Consolidated Statement of Financial Position.

It is stated within the Company's Articles that the Company may borrow money. During the prior year the Company utilised its borrowing powers, to allow it to actively continue to pursue the Groups investment objectives and manage its cash flow. The outstanding debt was repaid in full on 22 May 2015.

19. CONTINGENT LIABILITIES

At 31 March 2016 there were no contingent liabilities (2015: £nil).

20. EVENTS AFTER THE FINANCIAL REPORTING DATE

Trident Trust Company (Guernsey) Limited was appointed as Secretary and Administrator on 1 April 2016. Per the Administration Agreement they are entitled to an annual fixed fee of £36,000 per annum.

Directors
Nigel Birrell (Chairman)
Neil Johnson
Charles Cannon-Brookes
James Ryan
Mark Le Tissier

Advisory & Execution Team to 16 June 2015
Richard Arthur Lockwood
Malcolm Alec Burne
Charles Cannon-Brookes

Investment Committee From 17 September 2015
Neil Johnson
Jim Webster
Justin Cochrane
David Campbell
Andrew Chadwick-Jones
Andrew Carragher

Registered office to 31 March 2016
Trafalgar Court
Suite B
3rd Floor
West Wing
GY1 2JA

Registered office from 1 April 2016
4th Floor
West Wing
Trafalgar Court
Admiral Park
St Peter Port
Guernsey
GY1 2JA
Tel. +44 1481 727 571

Website address
www.dukeroyalty.com

Support Service Provider
Arlington Group Asset Management Limited
15 Whitehall
London
SW1A 2DD

Support Service Provider from 16 June 2015
Abingdon Capital Corporation
1 First Canadian Place
Suite 3400
Toronto
Ontario
Canada
M5X 1A4

Secretary and Administrator to 31 March 2016
R&H Fund Services (Guernsey) Limited
Trafalgar Court
Suite B
3rd Floor
West Wing
Guernsey
GY1 2JA

Secretary and Administrator from 1 April 2016
Trident Trust Company (Guernsey) Limited
Trafalgar Court
4th Floor
West Wing
Guernsey
GY1 2JA

Nominated Adviser and Broker
Peel Hunt LLP
120 London Wall
London
EC2Y 5ET

Custodian to 30 September 2015
ABN AMRO (Guernsey) Limited
Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3QJ

Advocates to the Company as to Guernsey Law
MJ Hudson
Hadsley House
Lefebvre Street
St Peter Port
Guernsey
GY1 2JP

Brokers
Ravenscroft
PO Box 222
The Market Buildings
Fountain Street
St Peter Port
Guernsey
GY1 4JG

Registrar and CREST Agent
Computershare Investor Services (Guernsey) Limited
3rd Floor, NatWest house
Le Truchot
St Peter Port
Guernsey
GY1 1WD

Independent Auditor to the Company
BDO Limited
Place du Pre
Rue de Pre
St Peter Port
Guernsey
GY1 3LL

DUKE ROYALTY LIMITED (FORMERLY PRAETORIAN RESOURCES LIMITED)
Registered Office Address: 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey, GY1 2JA
Registration Number: 54697

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of Duke Royalty Limited (the "Company") will be held at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey, GY1 2JA on 1 September 2016 at 11:00 BST to transact the business set out in the following Ordinary Resolutions.

1. To receive the Annual Report and Audited Consolidated Financial Statements for the year ended 31 March 2016.

2. To re-appoint BDO Limited as Auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

3. To authorise the Directors of the Company to determine the remuneration of the Auditor.

4. To re-elect Mr Nigel Birrell as a Director in accordance with 18.3 in the Articles of Association of the Company.

5. To re-elect Mr James Ryan as a Director in accordance with 18.3 in the Articles of Association of the Company.

6. To renew the Buy Back Facility.

By Order of the Board

Trident Trust Company (Guernsey) Limited
Secretary
4th Floor, West Wing, Trafalgar Court,
Admiral Park, St Peter Port, Guernsey, GY1 2JA

22 July 2016

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 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 him.

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 UK office of the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavillions, Bridgewater 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 in 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 he so wishes.

4. A holder of Shares must first have his or her name entered on the register of members not later than close of business on 29 August 2016. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote such a meeting.