

Geiger Counter Limited

## Unaudited Interim Accounts

For the six months to 31 March 2015

# CORPORATE SUMMARY

FOR THE SIX MONTHS TO 31 MARCH 2015

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## Investment Objective

The investment objective of Geiger Counter Limited ("the Company") is to deliver attractive returns to shareholders principally in the form of capital growth.

## Investment Policy

The Company has been established to invest in the securities of companies involved in the exploration, development and production of energy and related service companies in the energy sector including but not limited to, shares, convertibles, fixed income securities and warrants. The main focus of the Company is on companies involved in the uranium industry, but up to 30 per cent of gross assets may be invested in other resource-related companies.

## Corporate Summary

The Company is a closed-ended investment company and was incorporated with limited liability in Jersey on 6 June 2006. The Company's shares are listed on the official list of the Channel Islands Securities Exchange and dealing commenced on 7 July 2006. The shares also trade on the London Stock Exchange SETS QX Electronic Trading Service.

The Company had a life of 5 years from the first closing date of 7 July 2006. A resolution was passed at the Annual General Meeting ("AGM") held on 18 March 2015 to extend the life of the Company from the ninth anniversary of the First Closing Date until the next AGM. A similar resolution extending the life of the Company by a further year will be put to the 2016 AGM.

The Company's share capital structure consists of ordinary shares of no par value. The ordinary shares have the prospect of capital appreciation.

At the Company's AGM on 18 March 2015, the Directors passed a resolution under article 7.1 of the Company's Articles of Association to allow them to issue further ordinary shares in one or more tranches over a period from the date of the AGM to the next AGM of the Company. It was agreed that any shares issued would be issued at a premium over the net asset value per share.

It was further agreed at the Company's AGM on 18 March 2015 that a special resolution be passed to authorise the Directors of the Company, pursuant to and in accordance with article 57 of the Companies (Jersey) Law, 1991 (as amended) to make market purchases of its own ordinary shares in the capital of the Company on such terms and in such manner as the Directors of the Company shall from time to time determine provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be such number as represents 14.99 per cent of the aggregate number of ordinary shares in issue;
- (b) the minimum price which may be paid for an ordinary share shall be 1p;
- (c) the maximum price exclusive of any expenses which may be paid for an ordinary share is an amount equal to the higher of 5 per cent above the average of the middle market quotations for an ordinary share for the five business days immediately preceding the date on which such ordinary share is contracted to be purchased;



## CORPORATE SUMMARY (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

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(d) the authority hereby conferred shall expire on 18 months from the date of this Special Resolution, unless previously revoked, varied or renewed by the Company in general meeting;

(e) the Company may at any time prior to the expiry of such authority make a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts;

(f) the Directors of the Company provide a statement of solvency in accordance with articles 53-57 of the law; and

(g) such shares are required for cancellation.

At 31 March 2015 the Company had net bank borrowings of £2.6 million (30 September 2014: £2.7 million) which rank for repayment ahead of any return of capital to shareholders.

At 31 March 2015 net assets were £18.4 million (30 September 2014: £20.3 million) and the market capitalisation was £14.2 million (30 September 2014: £18.7 million). At 18 June 2015, the last practicable date prior to signing the financial statements, the Company's net asset value was 21.88 pence per share.

Dividends paid/declared during the period amounted to £nil (31 March 2014: £nil).



# FINANCIAL HIGHLIGHTS

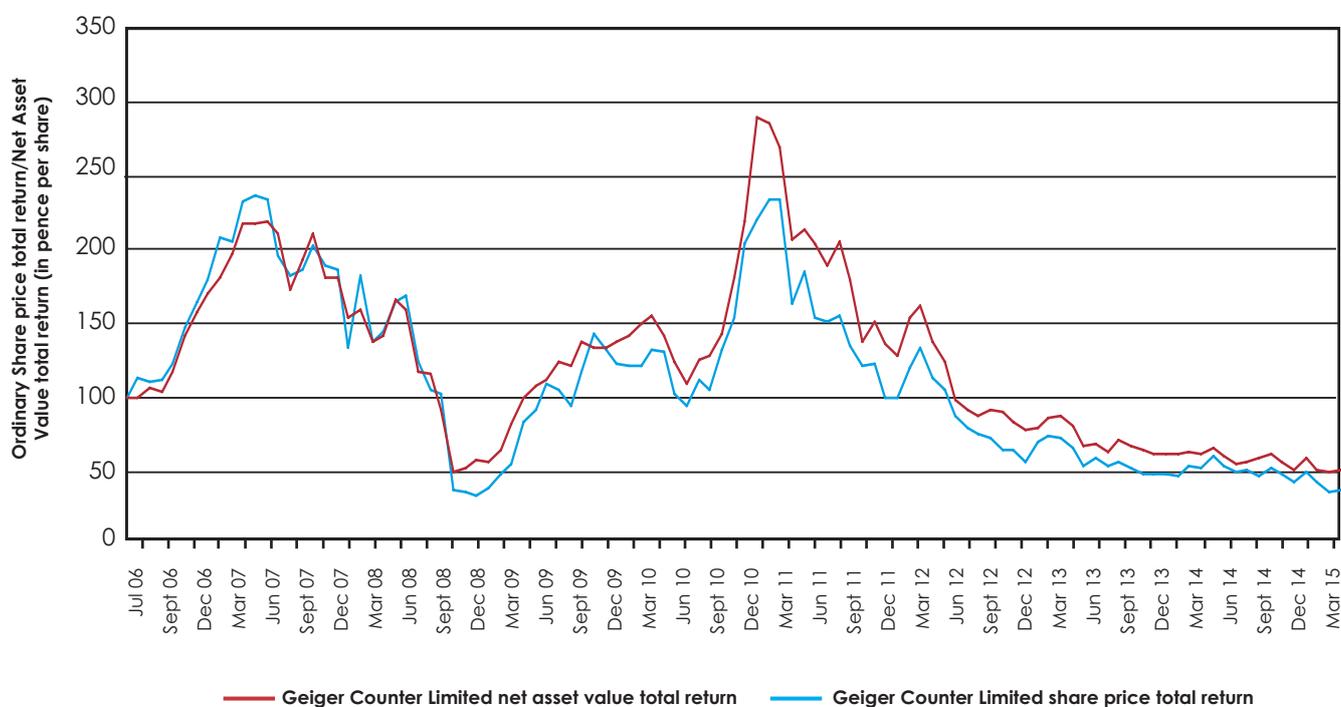
## FOR THE SIX MONTHS TO 31 MARCH 2015

	Note	31 March 2015	30 September 2014	31 March 2014
Net asset value per ordinary share	3(g)*	24.39p	26.90p	32.81p
Ordinary share price		18.75p	24.75p	30.88p
Number of ordinary shares in issue	11*	75,584,492	75,584,492	75,584,492

\* Note 3(g) is on page 14.

Note 11 is on page 21.

### Geiger Counter Limited's Net Asset Value Total Return and Share Price Total Return



Index: rebased to 100 at 6 July 2006.  
Source: R&H Fund Services (Jersey) Limited



# CHAIRMAN'S STATEMENT

## FOR THE SIX MONTHS TO 31 MARCH 2015

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The six month under review probably represent one of the quietest periods since the trust was established. The spot price of uranium traded around the USD 40 per pound level for most of the time while the relative shares were largely ignored by the market as a whole.

Once again, Japan was the main focus of market emotion and after a number of false dawns it would appear that, at last, a number of districts are on the cusp of restarting their nuclear power stations. The Kagoshima District Court overruled a lawsuit that would have halted the restart of the Kyushu Electric Power Company's Sendai nuclear station. This decision means that by June this year, Sendai will be the first plant to recommence operations following the Fukushima close down four years ago. We would be confident that with this decision resolved, and given the total support of Prime Minister Shinzo Abe, the restart process will now gather pace.

It would be a mistake to discuss the uranium market without referring to natural resource markets generally, uranium has been a sea of tranquillity within a maelstrom of activity seen in other commodities. Oil, iron ore and base metals have had a torturous time with falls of over 50 percent not uncommon. However just as consensus opinion became overtly bearish; the commodities staged a material recovery. The reason I have highlighted the situation is that so far uranium equities have not really shared in this recovery, but in my opinion, it is only a matter of time.

Just to reiterate some of the more relevant facts; China continues its policy of building new power stations, India has signed a long term agreement with Cameco for the delivery of uranium and America is now actively encouraging the development of new uranium projects. Longer term it has been estimated that supplies from Kazakhstan will have run down within the next five years.

### Corporate Governance

The Board have decided that as a result of feedback from shareholders they will introduce with immediate effect an Audit and Risk Committee and continue the process of refreshing the Board of Directors where Graeme Ross will stand down and be replaced by an appropriately qualified individual who will take on the role of Chairman of this new committee.

On that final point I would wish to thank Graeme and the other directors for their sterling efforts and also the shareholders for their vote of confidence in approving the recent continuation vote.

### **George Baird**

Chairman  
May 2015



# INVESTMENT ADVISER'S REPORT

FOR THE SIX MONTHS TO 31 MARCH 2015

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News of industry supply curtailment and anticipation of "fast tracked" reactor restarts in Japan remained key market drivers during the period. It is encouraging that after much legal wrangling, the final Kagoshima District Court decision confirmed the restart the two reactors at Sendai can take place this summer, providing a firmer footing for the country's reactivation programme to move forward, a key factor for market sentiment.

Momentum in key markets outside Japan has also picked-up. Integral to the advancement of its clean air policy, China aims to boost nuclear power's share of generation capacity to 20% by 2030. Driving a near ten-fold capacity expansion from the current 20GW and the government has started to award reactor construction permits based on new generation reactor designs incorporating latest safety technology. In January India's government announced a framework agreement with the US, crucially removing the liability of service providers in the event of an accident, which should unlock significant demand from the region which has the second largest reactor development pipeline behind China. India's more recent long-term uranium purchase agreement with Canadian producer Cameco lends further weight to growth prospects in this region.

At the same time that Asian demand growth is accelerating, mine production is being shut-in as higher priced legacy contracts run-off, helping to tighten the market and highlighting the necessity for higher commodity prices not just to sustain existing output but incentivise required new production. While a broader commodity malaise continues to weigh on the sector we believe these positive uranium industry fundamentals differentiate the sector from broader commodity markets which remain closely tied to exchange rate fluctuations.

Notwithstanding the fact that mine production remains prone to disruption as operators sweat their assets, with such concentrated global production, the risk labour disputes or geopolitical supply shocks remain ever present. M&A activity also represents a significant opportunity with both China and India having flagged interest in acquiring assets.

The fund NAV declined 9% versus a sterling decline of 13% by the URA Global X ETF. Reflecting the concentrated nature of the market the fund remains highly focussed though exposure is biased towards low cost in situ leach projects and tier one development projects. In addition, the fund has established a position in Hong Kong-listed China General Nuclear Power Corporation, which may benefit disproportionately from China's huge domestic nuclear power development pipeline. Access to capital may help the organisation compete effectively against more costly Western service providers, such as Areva, for international business whilst allowing it to capitalise on low asset valuations to secure long-term uranium supply in support its growth aspirations.

**Keith Watson**

CQS Asset Management Limited

May 2015



# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS TO 31 MARCH 2015

	Notes	Six months to 31 March 2015			Six months to
		Unaudited Revenue £'000	Unaudited Capital £'000	Unaudited Total £'000	31 March 2014 Unaudited Total £'000
<b>Capital (losses)/gains on investments</b>					
(Losses)/gains on investments held at fair value	8	–	(1,611)	(1,611)	1,433
Exchange gains		–	2	2	4
		–	(1,609)	(1,609)	1,437
<b>Revenue</b>					
Income	5	26	–	26	43
<b>Total income/(expense)</b>		26	(1,609)	(1,583)	1,480
<b>Expenditure</b>					
Investment manager's fee	6	–	(148)	(148)	(204)
Other expenses	7	(125)	–	(125)	(111)
<b>Total expenditure</b>		(125)	(148)	(273)	(315)
<b>(Loss)/gain before finance costs and taxation</b>		(99)	(1,757)	(1,856)	1,165
Finance costs		–	(35)	(35)	(7)
<b>(Loss)/gain before taxation</b>		(99)	(1,792)	(1,891)	1,158
Irrecoverable withholding taxation	3(f)	(6)	–	(6)	(5)
<b>(Loss)/gain after taxation</b>		(105)	(1,792)	(1,897)	1,153
<b>Total comprehensive (expense)/income</b>		(105)	(1,792)	(1,897)	1,153
<b>Return per ordinary share (pence per share)</b>	3(g)	(0.14)p	(2.37)p	(2.51)p	1.52p

All items in the above statement are derived from continuing operations.

The Company has no items of other comprehensive income.

The total column in the above statement is the Statement of Comprehensive Income of the Company but has been separated to provide additional information to shareholders on the component contribution from the Company's activities.

The notes on pages 11 to 22 form an integral part of these condensed interim financial statements.



# CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Notes	Unaudited 31 March 2015 £'000	Audited 30 September 2014 £'000	Unaudited 31 March 2014 £'000
<b>Non current assets</b>				
Investments held at fair value through profit or loss	8	21,056	23,151	25,926
<b>Current assets</b>				
Other receivables	9	15	24	36
Cash and cash equivalents		22	–	902
		37	24	938
<b>Total assets</b>		<b>21,093</b>	<b>23,175</b>	<b>26,864</b>
<b>Current liabilities</b>				
Bank overdraft	10	(2,592)	(2,746)	(1,996)
Other payables		(69)	(100)	(65)
<b>Total liabilities</b>		<b>(2,661)</b>	<b>(2,846)</b>	<b>(2,061)</b>
<b>Net assets</b>		<b>18,432</b>	<b>20,329</b>	<b>24,803</b>
<b>Stated capital and reserves</b>				
Stated capital	11	55,043	55,043	55,043
Capital reserve		(37,948)	(36,156)	(31,788)
Revenue reserve		1,337	1,442	1,548
<b>Equity shareholders' funds</b>		<b>18,432</b>	<b>20,329</b>	<b>24,803</b>
<b>Number of ordinary shares in issue</b>	11	<b>75,584,492</b>	<b>75,584,492</b>	<b>75,584,492</b>
<b>Net asset value per ordinary share (pence)</b>	3(g)	<b>24.39p</b>	<b>26.90p</b>	<b>32.81p</b>

The interim financial statements on pages 7 to 22 were approved by the Board of Directors on 19 June 2015 and were signed on its behalf by:

**G D Ross**  
Director

The notes on pages 11 to 22 form an integral part of these condensed interim financial statements.



# CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS TO 31 MARCH 2015

	Notes	Unaudited Stated Capital £'000	Unaudited Capital Reserve £'000	Unaudited Revenue Reserve £'000	Unaudited Total £'000
Opening equity shareholders' funds at 1 October 2013	11	55,043	(33,014)	1,621	23,650
Total comprehensive income/(expense) for the period		–	1,226	(73)	1,153
Closing equity shareholders' funds at 31 March 2014	11	55,043	(31,788)	1,548	24,803
Opening equity shareholders' funds at 1 October 2014	11	55,043	(36,156)	1,442	20,329
Total comprehensive income/(expense) for the period		–	(1,792)	(105)	(1,897)
Closing equity shareholders' funds at 31 March 2015	11	55,043	(37,948)	1,337	18,432

The revenue and capital reserves, taken together, comprise the Company's total retained earnings for the period but have been separated to provide additional information to shareholders on the component contribution from the Company's activities.

The notes on pages 11 to 22 form an integral part of these condensed interim financial statements.



# CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS TO 31 MARCH 2015

	Notes	Unaudited Six months to 31 March 2015 £'000	Unaudited Six months to 31 March 2014 £'000
<b>Cash flows from operating activities</b>			
(Loss)/gain after taxation		(1,897)	1,153
<b>Adjustments for:</b>			
Investment income – equities	5	(26)	(22)
Investment income – bonds	5	–	(19)
Net unrealised loss/(gain) of investments	8	1,399	(7,084)
Realised loss on disposal of investments	8	212	5,651
Exchange gains		(2)	(4)
Bank interest received	5	–	(2)
Interest expense		35	7
Irrecoverable withholding tax		6	5
		(273)	(315)
<b>Changes in working capital:</b>			
Decrease in other receivables		9	6
Decrease in other payables		(31)	(24)
<b>Net cash used in operating activities</b>		(295)	(333)
<b>Cash flows from investing activities</b>			
Purchase of investments	8	(1,636)	(7,818)
Proceeds from sale of investments	8	2,120	5,340
Investment income received	5	26	41
Interest received	5	–	2
<b>Net cash received from/(used in) investing activities</b>		510	(2,435)
<b>Cash flows from financing activities</b>			
Interest paid		(35)	(7)
Irrecoverable withholding tax paid		(6)	(5)
<b>Net cash used in financing activities</b>		(41)	(12)
<b>Net increase/(decrease) in cash and cash equivalents</b>		174	(2,780)
Net (debt)/funds at the beginning of the period		(2,746)	1,682
Exchange gain		2	4
<b>Net debt at the end of the period</b>		(2,570)	(1,094)
<b>Represented by:</b>			
Cash and cash equivalents		22	902
Bank overdraft		(2,592)	(1,996)
<b>Net debt at the end of the period</b>		(2,570)	(1,094)

The notes on pages 11 to 22 form an integral part of these condensed interim financial statements.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO 31 MARCH 2015

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## 1. General Information

Geiger Counter Limited ("the Company"), was incorporated in Jersey on 6 June 2006 as a limited liability public company. On 6 March 2007 the Company transferred from the Jersey Expert Fund Regime to the Jersey Listed Fund Regime. The Company is incorporated and domiciled in Jersey, Channel Islands. The address of the registered office is given within corporate information on page 24.

The condensed unaudited interim financial statements were authorised for issue by the Board of Directors on 19 June 2015.

## 2. Basis of Preparation

### (a) Statement of Compliance

These condensed unaudited interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as adopted by the European Union ("EU"), the Companies (Jersey) Law 1991 and on a going concern basis. The condensed unaudited interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 30 September 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, the Companies (Jersey) Law 1991 and on a going concern basis.

Except as described below the accounting policies adopted are consistent with those of the annual audited financial statements for the year ended 30 September 2014. The condensed unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual audited financial statements as at 30 September 2014.

### (b) Basis of Measurement

The condensed unaudited interim financial statements are prepared under the historical cost convention, except for financial instruments at fair value through profit or loss and derivative financial instruments which are measured at fair value.

### (c) Functional and Presentation Currency

These condensed unaudited interim financial statements are presented in Pounds Sterling, which is the Company's functional currency and are rounded to the nearest thousand except where otherwise indicated.

### (d) Critical Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the exercise of judgement both in application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. However, actual results may differ from these estimates. The most significant judgement is the valuation of unlisted investments.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

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## 2. Basis of Preparation (continued)

### (d) Critical Accounting Estimates and Judgements (continued)

As at 31 March 2015, included in investments at fair value through profit or loss were 5 (30 September 2014: 5) unquoted investments valued at £634,601 (30 September 2014: £1,022,110), the original cost of which totalled £1,840,181 (30 September 2014: £2,116,559). These investments are not quoted on an exchange, and as such their valuation relies on a degree of informed judgement from the Investment Adviser and the Board of Directors.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 8.

### (e) Going Concern

At the Company's AGM on 18 March 2015 the Directors passed a resolution under article 46.1 of the Company's Articles of Association to pass an ordinary resolution to defer the winding up of the Company by a further year. It was proposed that a further extension of one year will be sought at the next AGM. The Directors are therefore satisfied that it is appropriate to continue to adopt the going concern basis in preparing the interim financial statements.

## 3. Significant Accounting Policies

### (a) Financial Assets and Liabilities at Fair Value Through Profit or Loss

#### (i) Classification

The Company classifies its investments as financial assets and liabilities at fair value through profit or loss. These are financial instruments held for investment purposes. Financial assets also include cash and cash equivalents as well as other receivables.

#### (ii) Recognition and derecognition

Purchases or sales of investments are recognised/derecognised on the trade date, being the date on which the Company commits to purchase/sell the investments. Investments are initially recognised at cost and subsequently carried at fair value with any resultant gain or loss recognised in the Condensed Statement of Comprehensive Income. Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Transaction costs are capitalised and therefore shown in the Condensed Statement of Financial Position rather than being expensed and shown in the Condensed Statement of Comprehensive Income as required under IAS 39 but the effect is not material. The Company uses the weighted average method to determine realised gains and losses on derecognition.

#### (iii) Measurement of quoted investments

Listed securities are valued at bid price or last traded price, depending on the convention of the exchange on which the investment is listed, adjusted for accrued income where it is reflected in the market price.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

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## 3. Significant Accounting Policies (continued)

### (a) Financial Assets and Liabilities at Fair Value Through Profit or Loss (continued)

#### (iv) Measurement of unquoted investments

Investments which are not listed or where trading in the securities of an investee company is suspended are valued at the Directors' best estimate of fair value. Unlisted investments are valued by the Directors on the basis of the advice received from the Investment Adviser who, prior to giving advice has reviewed the available financial and trading information of the investee company, covenant compliance, ability to repay the interest and cash balances and for convertible bonds this includes consideration of the discounted cash flows of the interest and principal underlying equity value. The estimated fair values may differ from the values that would have been realised had a ready market for these holdings existed and the difference could be material.

Many of the unquoted investments are held as minority interests and as such there is limited financial information available for the purpose of investment valuation.

Realised and unrealised gains or losses on investments are taken to the Capital Reserve and included in the Condensed Statement of Comprehensive Income.

The fair value of the unquoted investments is reassessed on an ongoing basis by the Investment Adviser and is reviewed periodically by the Board of Directors.

A review was made of the valuation of these investments as part of the process of preparing these interim financial statements. This review looked at each unquoted investment in isolation and considered the macro and micro economic environments in which they operate and recent over-the-counter transactions in the securities of the investee companies. The fair value is determined by the Investment Adviser using a variety of methods. These methods include discounting latest or expected subscription prices, discounting the last sales price, discounting sales prices where no further market information is available on the issuing entity and discounting for lack of liquidity in the market.

As a result of the fair value reviews undertaken in the period, a negative fair value adjustment of £111,131 (30 September 2014: a negative adjustment of £367,000) was recognised in the Condensed Statement of Comprehensive Income for the unquoted investments.

### (b) Income and Expenses

(i) Deposit interest is accrued on a daily basis.

(ii) Investment income is accounted for as follows:

- Interest on fixed interest securities is accounted for on an accruals basis;
- Dividend income is accounted for when investments held become ex-dividend and is disclosed gross of withholding tax deducted at source.

### (c) Foreign Currencies

(i) Foreign currency income and expenditure is converted into the functional currency at the exchange rate ruling at the time of the transaction.

(ii) Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date.

(iii) Foreign currency exchange gains and losses are accounted for in the Condensed Statement of Comprehensive Income.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

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## 3. Significant Accounting Policies (continued)

### (d) Finance Costs

Finance costs are accounted for on an accruals basis. Finance costs of debt insofar as they relate to the financing of the Company's investments or to financing activities aimed at maintaining or enhancing the value of the Company's investments, are charged to capital in accordance with the Board's expected long-term split of returns.

### (e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Condensed Statement of Cash Flows.

### (f) Taxation

The Company is subject to Jersey Income tax. The Jersey Income Tax rate for the foreseeable future is zero per cent (2014: zero per cent).

Withholding taxes have been disclosed separately in the Condensed Statement of Comprehensive Income in accordance with IAS 12 "Income Taxes".

### (g) Net Asset Value per Share and Return per Share

The net asset value per share at the reporting date is calculated by dividing the net assets included in the Condensed Statement of Financial Position by the number of ordinary shares in issue at the period end.

The return per ordinary share is calculated by dividing the total comprehensive income for the period included in the Condensed Statement of Comprehensive Income by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares at the period end was 75,584,492 (31 March 2014: 75,584,492).

### (h) Listing

The Company was incorporated on 6 June 2006 and was established in Jersey, Channel Islands under the Expert Fund Regime. On 6 March 2007 the Company transferred from the Jersey Expert Fund Regime to the Jersey Listed Fund Regime.

The Company is listed on the Channel Islands Securities Exchange Ltd and trades on the London Stock Exchange SETS QX Electronic Trading Service.

### (i) Reserves

Included in retained earnings are the following sub-categories:

Capital Reserve

The following are accounted for in this reserve:

- gains and losses on the sale of investments;
- realised and unrealised exchange differences on transactions of a capital nature;
- expenses and finance costs in accordance with the policies above; and
- increases and decreases in the valuation of investments held at the period end.

Revenue Reserve

The net income/(expense) arising in the revenue column of the Condensed Statement of Comprehensive Income is added to or deducted from this reserve and is available for paying dividends.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 3. Significant Accounting Policies (continued)

### (j) New and Amended Standards effective on or after 1 October 2014 and Standards, Amendments and Interpretations that are not yet effective and have not been early adopted by the Company

The following new relevant standards or amendments have been issued but are not yet effective and have not been early adopted.

IFRS 9 – “Financial Instruments” – effective 1 January 2018.

IFRS 9 represents the first of a three part project to replace IAS 39 “Financial Instruments Recognition and Measurement”. The objective of the standard is to enhance the ability of investors and other users of financial information to understand the accounting of financial assets and to reduce complexity.

The Directors have not yet fully assessed the impact this new standard will have on the financial statements but their initial opinion is that it will not be significant.

### (k) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of its net debt ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables) as shown in the Condensed Statement of Financial Position less cash and cash equivalents. Total capital is calculated as equity, as shown in the Condensed Statement of Financial Position, plus net debt.

The net debt ratio at 31 March was as follows:

	Unaudited 31 March 2015 £'000	Unaudited 31 March 2014 £'000
Net debt	(2,639)	(1,159)
Total capital	21,071	25,962
Total equity	18,432	24,803
<b>Net debt ratio</b>	<b>(12.5%)</b>	<b>(4.5%)</b>



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 4. Geographical Analysis of Income, Assets and Liabilities

The Company's management does not use segmental reporting to analyse its portfolios performance by investment sector, as its holdings are all energy-related stocks. The Company's management does however analyse its income and investments on a geographical basis. A summary is provided below.

	Unaudited Six months to 31 March 2015 £'000	Unaudited Six months to 31 March 2014 £'000
<b>Income by location</b>		
- Canada	26	22
- Global	–	20
- United Kingdom	–	1
<b>Total income by location</b>	<b>26</b>	<b>43</b>

	Unaudited 31 March 2015 £'000	Audited 30 September 2014 £'000
<b>Assets by location</b>		
- Africa	88	81
- Australia	5,788	6,886
- Canada	12,445	12,776
- Chile	–	130
- Europe	10	20
- South Africa	47	149
- Tanzania	145	269
- United Kingdom	27	10
- USA	2,299	2,674
- Zambia	244	175
<b>Total assets by location</b>	<b>21,093</b>	<b>23,170</b>



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 4. Geographical Analysis of Income, Assets and Liabilities (continued)

	Unaudited 31 March 2015 £'000	Audited 30 September 2014 £'000
<b>Liabilities by location</b>		
- United Kingdom	2,661	2,846
<b>Total liabilities by location</b>	<b>2,661</b>	<b>2,846</b>

## 5. Income

	Unaudited Six months to 31 March 2015 £'000	Unaudited Six months to 31 March 2014 £'000
Investment income – equities	26	22
Investment income – bonds	–	19
Total investment income	26	41
Bank interest received	–	2
<b>Total income</b>	<b>26</b>	<b>43</b>

## 6. Investment Management Fee and Investment Performance Fee

	Unaudited Six months to 31 March 2015 £'000	Unaudited Six months to 31 March 2014 £'000
Investment management fee	148	204

The Investment Manager received an annual fee at the rate of 2 per cent per annum of the Company's net asset value after adding back any accrued performance fees and bank borrowings. From 1 January 2014, the annual fee was reduced to 1.375 per cent per annum.

The balance due to CQS for the investment management fee at the period end was £24,854 (31 March 2014: £30,650).

In addition, the Investment Manager is entitled to a performance fee at the rate of 20 per cent of out performance above an 8 per cent per annum hurdle with a high watermark provision. There is no performance fee for the period to 31 March 2015 (31 March 2014: £nil). The performance fee is calculated and paid annually based on the value of the Company at 30 September each year.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 7. Other Expenses

	Unaudited Six months to 31 March 2015 £'000	Unaudited Six months to 31 March 2014 £'000
Administration fee	37	30
Registrar fee	5	8
Directors' fees	24	23
Audit fee	12	13
Depository fee	8	–
Other expenses	39	37
<b>Total other expenses</b>	<b>125</b>	<b>111</b>

The Company has an agreement with R&H Fund Services (Jersey) Limited (the "Administrator") to provide administrative, compliance oversight and company secretarial services to the Company. Under the administration agreement, the Administrator is entitled to a fee based on the gross asset value of the Company. The fund administration fee is calculated as 0.1 per cent of gross assets up to £50 million and 0.075 per cent of gross assets in excess of £50 million with an overall minimum fee of £75,000 per annum, from 22 July 2014 (31 March 2014: £60,000) and an overall maximum fee of £115,000 per annum (31 March 2014: £100,000). The fee includes the Director's fee payable to Mr Ross. Total fees paid to the Administrator in the period are shown in note 12.

The Company has an agreement with Computershare Investor Services (Jersey) Limited (the "Registrar") to provide registrar services. Under the registrar agreement the Registrar will be entitled to a fixed fee of £3,875 per quarter with additional discretionary charges for certain one-off projects, disbursements, etc. On 22 July 2014 there was a reduction in the fees to £4 per Shareholder per annum subject to a minimum fee of £8,000 and an Intra-Crest Fee of £0.25 per transfer. All other fees remain the same. The total fee incurred under this agreement were £4,550 (31 March 2014: £8,352), of which £1,222 (31 March 2014: £1,893) was outstanding at the period end.

The Company has an agreement with Indos Financial Limited (the "Depository") to provide depository services. Under this agreement the Depository is entitled to a monthly fee of £1,400 in respect of AIFMD Depository-Lite services plus one-off project and disbursement fees. The total fees incurred under this agreement were £8,377 (31 March 2014: £nil), of which £1,412 (31 March 2014: £nil) was outstanding at the period end.

The remuneration paid to the Chairman, the highest paid Director, for the period was £9,600 (31 March 2014: £10,560).

The audit fee of £12,363 (31 March 2014: £12,785) includes an accrual of £12,000 (31 March 2014: £11,725) in respect of the year end audit.

No pension contributions were payable in respect of any of the Directors.

The Company does not have any employees.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 8. Investment Held at Fair Value Through Profit or Loss

	<b>Unaudited Six months to 31 March 2015 £'000</b>	<b>Audited Year ended 30 September 2014 £'000</b>	<b>Unaudited Six months to 31 March 2014 £'000</b>
<b>Balance brought forward</b>	<b>23,151</b>	<b>22,015</b>	<b>22,015</b>
Additions	1,636	14,746	7,818
Disposal proceeds	(2,120)	(10,852)	(5,340)
Realised loss on disposals	(212)	(7,465)	(5,651)
Net unrealised (losses)/gains on fair value	(1,399)	4,707	7,084
<b>Balance carried forward</b>	<b>21,056</b>	<b>23,151</b>	<b>25,926</b>

	<b>Unaudited Six months to 31 March 2015 £'000</b>	<b>Unaudited Six months to 31 March 2014 £'000</b>
<b>(Losses)/gains on investments</b>		
Realised losses on disposal of investments	(212)	(5,651)
Movement in fair value	(1,399)	7,084
<b>(Losses)gains on investments</b>	<b>(1,611)</b>	<b>1,433</b>

Included in the fair value of investments held at fair value through profit or loss are £634,601 (30 September 2014: £1,022,110) of investments which are unquoted. Unquoted investments are valued at fair value. Included in the balance of £634,601 (30 September 2014: £1,022,110) are warrants amounting to £nil (30 September 2014: £nil), with the remainder of the balance relating to loan notes and unquoted equity.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 9. Other Receivables

	Unaudited 31 March 2015 £'000	Audited 30 September 2014 £'000	Unaudited 31 March 2014 £'000
Prepayments and other debtors	6	15	7
Dividends receivable	9	9	9
Accrued bond interest	–	–	20
<b>Total other receivables</b>	<b>15</b>	<b>24</b>	<b>36</b>

## 10. Bank Overdraft

At 31 March 2015 the Company had overdrawn cash positions totalling £2,592,035 (30 September 2014: £2,745,632) through its credit facility with Credit Suisse Securities (Europe) Limited ("Credit Suisse").

Interest paid on the overdraft is at the base rate of LIBOR plus 1.75 per cent.

As security for the overdraft, Credit Suisse holds by way of a fixed charge, any and all right, title and interest to all cash held by a Credit Suisse entity (including cash held as Margin) and all assets other than specified assets (whether or not held in an account, and including assets held as Margin); and by way of a first floating charge, any and all right title and interest in and to any covered agreement.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

## 11. Stated Capital

### Authorised

The authorised ordinary share capital of the Company is represented by 200,000,000 ordinary shares of no par value and 50,000,000 subscription shares of no par value.

### Allotted, called up and fully-paid

	Number of ordinary shares	£'000
Total issued share capital at 1 October 2013	75,584,492	55,043
<b>Total issued share capital at 31 March 2014</b>	<b>75,584,492</b>	<b>55,043</b>
Total issued share capital at 1 October 2014	75,584,492	55,043
<b>Total issued share capital at 31 March 2015</b>	<b>75,584,492</b>	<b>55,043</b>

Each holder of ordinary shares is entitled to attend and vote at all annual general meetings that are held by the Company. Each holder is also entitled to receive payment of a dividend should the Company declare such a dividend payment.

### Major customers

The Company regards its shareholders as customers as it relies on their funding for continuing operations and meeting its objectives. The Company's shareholding structure is not exposed to a significant shareholder concentration. The Company's largest shareholder as at 31 March 2015 represents 6.87 per cent (30 September 2014: 6.52 per cent) of the Company's net asset value attributable to holders of shares.



# NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS TO 31 MARCH 2015

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## 12. Related Parties Transactions and Balances

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

### Investment Manager

Details of the fee arrangements with the Investment Manager are disclosed in note 6.

### Secretarial and administration fee

The Company has engaged the services of R&H Fund Services (Jersey) Limited ("R&H") to provide secretarial and administrative services. Graeme Ross, a Director of the Company, is also a director and shareholder of R&H. Total Company administration fees for the period amounted to £37,397 (31 March 2014: £29,918), with outstanding accrued fees of £18,493 (31 March 2014: £14,795) at the end of the period.

### Board of Directors' remuneration

The Company had four Directors during the period of which one was appointed during the period. Total remuneration paid to Directors for the period amounted to £24,000 (31 March 2014: £23,400), with outstanding accrued fees of £nil (31 March 2014: £nil). All remuneration was in the form of cash.

On 4 December 2013, the Board agreed to reduce the Directors' fees by 20 per cent with effect from 1 January 2014.

Total expenses incurred from the above transactions are disclosed in notes 6 and 7.

## 13. Events After The Reporting Date

There were no material post-reporting date events.



# INVESTMENT PORTFOLIO (BY GEOGRAPHICAL AREA)

AS AT 31 MARCH 2015

Holding	Investment	Bid Market Valuation £'000	% of Net Asset
<b>Listed Equities</b>			
<b>Australia</b>			
9,584,650	Paladin Energy AUD	1,847	10.0
1,575,000	Energy Resources of Australia	1,003	5.4
6,136,506	Northern Minerals	662	3.6
8,850,773	Anatolia Energy	377	2.0
3,000,000	Berkeley Resources	339	1.8
4,819,848	Alliance Resources	196	1.1
9,570,000	A-Cap Resources	192	1.0
20,000,000	Peninsula Energy	185	1.0
	Other holdings (13 investments)	985	5.3
		5,786	31.2
<b>Canada</b>			
3,624,125	Fission Uranium	2,544	13.8
232,200	Cameco CAD	2,180	11.8
3,825,120	Denison Mines CAD	2,014	10.9
3,191,053	UR-Energy USD	2,012	10.9
657,300	Uranium Participation	1,958	10.6
7,067,000	Kivalliq Energy	451	2.4
1,247,500	Nexgen Energy	332	1.8
	Other holdings (5 investments)	309	1.7
		11,800	63.9
<b>United States of America</b>			
2,125,481	Uranerz Energy	1,548	8.4
720,286	Uranium Energy	733	4.0
		2,281	12.4
<b>Zambia</b>			
7,312,500	African Energy Resources	244	1.3
		244	1.3
<b>Other Listed Equity Securities</b> (4 investments)		290	1.6
<b>Listed Warrants</b> (2 investments)		20	0.1
<b>Unlisted Securities</b> (5 investment)		635	3.4
<b>Unlisted Warrants</b> (9 investments)		–	–
<b>Total Investments</b>		<b>21,056</b>	<b>113.9</b>
<b>Other Net Current Liabilities</b>		(2,624)	(13.9)
<b>Net Assets</b>		<b>18,432</b>	<b>100.00</b>



## CORPORATE INFORMATION

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Board of Directors:	George Baird (Chairman) Richard Lockwood Graeme Ross James Leahy
Registered Number:	93672
Registered Address:	Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Investment Manager:	CQS Cayman Limited Partnership PO BOX 309 Ugland House South Church Street George Town, KY1-1104 Grand Cayman Cayman Islands
Investment Adviser:	* New City Investment Managers 5th Floor 33 Grosvenor Place London SW1X 7HY
Administrator and Company Secretary:	R&H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Registrar:	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES
Depository:	Indos Financial Limited 25 North Row London W1K 6DJ

\* Trading name for CQS Asset Management Limited



## CORPORATE INFORMATION (CONTINUED)

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Custodian and Bankers:	Credit Suisse Securities (Europe) Limited 1 Cabot Square London EC2Y 5AB
Legal Advisers in Jersey:	Ogier Ogier House The Esplanade St Helier Jersey JE4 9WG
Legal Advisers in London:	Wragge Lawrence Graham & Co LLP PO Box 180 4 More London Riverside London SE1 2AU
Stock Exchange:	Channel Islands Securities Exchange Ltd 1 Lefebvre Street St Peter Port Guernsey GY1 4PJ
Website:	<a href="http://www.ncim.co.uk">www.ncim.co.uk</a>
SEDOL:	B15FW330 (Ordinary Shares)
LSE Trading Ticker:	GCL LN
Financial Adviser and Corporate Broker:	Edmond De Rothschild 4 Carlton Gardens London SW1Y 5AA
Market Makers:	Winterflood Securities Cantor Fitzgerald Europe L.P. Shore Capital Stockbrokers Limited LCF Ed. De Rothschild Securities Panmore Gordon Limited Novum Securities









Geiger Counter Limited