EL ORO LTD

Interim Report and Unaudited Condensed Consolidated Financial Statements

for the six months ended 31 December 2018

Group founded 1 November 1886

CHAIRMAN'S STATEMENT
Interim Report as at 31 December 2018

The El Oro Group's loss before taxation and dividend for the six month period ended 31 December 2018 was £6,576,288 (profit before taxation for the six month period ended 31 December 2017: £1,723,982). The Group's net assets at 31 December 2018 were £45,828,196 or 72.5p per share (net assets at 30 June 2018: £53,668,935 or 85.0p per share).

The figures referred to above reflect the adjustment of the Group's assets and liabilities to liquidation accounting rather than on a going concern basis (see note 2.3 for more detail) and includes a reduction of £2.3 million in the valuation of, primarily unquoted, shares where their disposal prior to liquidation at the fair value price previously recorded might be challenging. This possibility was alluded to in the Annual General Meeting of 2016, when the liquidation proposal was first introduced, and passed by a narrow margin.

It is not dissimilar to the reality currently facing the EU and especially Eire in the event of Britain leaving without a deal. Estimates currently being presented show a substantial reduction in trade in Germany, Netherlands, Italy and Eire, of which the politicians appear blissfully unaware. Such are the consequences of abrogating a long-term relationship without a coherent and rationally arranged agreement. Indeed, the determination displayed by members of the Commission to punish Britain for its willful vote in favour of its own legislature rather than an unelected triumvirate, and mention of 'lies and damnation' for those foolish enough to have preferred such an approach, displays an insouciant disregard for the welfare of the citizens of Europe. No doubt disruption will occur after a No Deal exit, if that is what happens, but we suspect the noise surrounding its 'disaster' will be far greater than the reality, after a relatively short period.

Happily at the start of the current year we were rewarded by two post-Christmas presents firstly in the form of a secondary sale of our holding in Vena Solutions, a technology company from Toronto developing an ancillary to Excel; this has been held for several years, and has rewarded patient shareholders with a substantial uplift on its original price, despite being written down last June. Braver souls may well have retained some or all of their holdings for further accretion, but in the light of the forthcoming liquidation of your company, we decided to withdraw at this stage and take our cash.

We have also reaped the rewards of our investment in Reservoir Minerals some time ago, and its takeover by Nevsun. Last year a bid was made by Lundin Mining, which was ultimately capped by Ziangzhi : the proceeds were received in early January, whilst a resource adjacent to Freeport McMoRan's Bor Mine in Serbia has been added to the firepower of China's Belt and Road programme.

In recent weeks, Asahi has announced its purchase of Fuller's iconic Chiswick Brewery, for £250m, with Fullers withdrawing from beer production. We have always been loyal supporters of London Pride, and admirers of the appearance of the site at Chiswick Roundabout, but whilst tinged with sadness and regret, the generosity of the Japanese is not to be spurned. Happily the pubs and hotels will continue under the aegis of Fullers as hitherto, and hopefully thrive, as has Young's for so many years.

CHAIRMAN'S STATEMENT

The downturn in world markets experienced in November and December was to some extent ameliorated for El Oro by sales enacted over the Summer in anticipation of an agreement proposed for September which fell at the final hurdle.

Whilst the old Stock Exchange motto 'My word is my bond' was for us a Shibboleth to be scrupulously observed, its validity in today's world would appear to be less rigorously applied; nevertheless, we are grateful, in the light of subsequent falls that many long-standing holdings were realised, giving us a substantial cash balance at the end of December.

This has been added to in recent months, as liquidation or its equivalent beckons. Disgorging stocks that have formed the bedrock of the portfolio for many years is not an especially pleasant pastime, particularly when their performance and future seems positive. Many Gold stocks would appear to have passed their nadir, especially as the price of the metal seems content to abide above $1,300. Recent mergers, of Randgold with Barrick last year, and more recently Goldcorp with Newmont amongst others have added to a renewed sense of optimism that the worst of the Mining declines have now passed. Miners appear intent on supplementing their reserves by acquisition rather than exploration.

Regrettably our Bacanora lithium project at Sonora in Mexico has thus far not recovered from the failed fund raising last year, and a more negative view towards lithium, and languishes at lows not seen for several years. A similar fate is being suffered by Critical Elements, whose neighbour Nemaska Lithium is struggling to finance its project.

In contrast Anglo-Pacific, with its astute royalty agreements and able executives continues its ascent, bolstered by the improvement in iron ore prices, following the tragedy in Brazil and also the proposed expansion of the Kestrel Coal Mine in Australia. Perhaps Rio is now regretting its departure from the Coal market at or near the bottom. Of some concern in recent days is the sight of Glencore providing an apologia to the Green lobby, instead of rejoicing in its unassailable position in providing energy for the developing world. China has in recent days restricted imports of coal from Australia into the port of Dalian. This is almost certainly a political move, but demonstrates the dangers of relying on China as one's principal customer. Happily Atalaya progresses below the radar, with its growing production of copper near Seville, as does Central Asian Metals, in Kazakhstan.

With liquidation of your company approaching, our unlisted holdings are especially vulnerable as is reflected by the provision made to fair values (see note 2.3 to the financial statements). This may be exacerbated if these holdings were to remain in the portfolio at the time that a liquidator is appointed. Any interested buyers should contact the team at Cheval Place!

As already mentioned many profits were taken in the technology sector last year, and only a few stocks have been added, primarily large-cap and liquid US stocks, such as Microsoft, PayPal and Walt Disney. These are deemed to be readily saleable, even if out of character for our traditionally small-cap portfolio and less prone to market volatility, although that remains to be seen.

CHAIRMAN'S STATEMENT

One sincerely hopes that the 'abyss' forecast by Corrierre that Britain is destined to fall into after a No Deal Brexit will not be replicated by your company. Given a choice between a portfolio of excellent stocks and a cash pile, I myself would choose the former, and await developments amongst the unlisted where realisations will occur over time. Unfortunately that is no longer on our side, unlike the lyrics of the Rolling Stones' song of 1964.

Whilst April 12th or May 22nd have now replaced the long-promised departure date of March 29th, an unyielding EU appear determined to drag down the edifice they have presided over with utter disregard for its citizens or their well-being.

The verruca on the foot of Eire similarly seems determined to exacerbate age-old tensions even if the alternative to the back-stop is a severe reduction in trade damaging the entire nation. Rationality has disappeared, along with Bargaining prowess, and the disloyalty displayed by such as the Balls/Boles/ Left-wing proposals beggars belief of anyone prepared to accept the result of a clear verdict in a One-off Referendum. Hopefully the latest renegades from the Conservative party will face deselection and dismissal from the electorates they have betrayed.

The vision-less leaders of our nation persevere with absurd and grotesque projects such as HS2 and Hinkley Point, closing our coal suppliers with no alternative available, and even threatening our wood-burning stoves. Their attack on diesel, once heralded as a pollution free fuel has wreaked untold damage on Jaguar Land Rover, and more recently Toyota and Honda - although the usual apologists blame Brexit, as in everything.

Despite all these threats and empty gestures, we are sure that a speedy exit from the embrace of socialism and state control as exemplified by the EU, burnished by a bonfire of regulations and hefty reductions in taxation, will unleash a rich seam of talent and endeavour that will bring huge and lasting benefit to Britain.

The concept of attempting to improve well-being that is within the power of the provider, as espoused by Jordan Peterson, rather than spending trillions on an unattainable objective attempted vainly by Canute, in his case of the tide, and of today in reversing the temperature of the planet, appears to us a far more beneficial solution than those currently espoused.

By improving nutrition, and raising the well-being of a substantial portion of the population, more might be achieved in securing supporters of the planet's health than by punishing them with excessive fuel bills and other hindrances to daily life.

We read that the volcanic eruption in Iceland a few years' ago, in four days negated 5 Years' effort to control CO_2 emissions on our planet: the very carbon dioxide that is vital for the growth of every plant. There are around 200 active volcanoes spewing out matter every single day; just as Mt.Pinatubo in 1991 spewed out more gases than the human race has emitted in all its years on earth.

Sadly at present the surfeit of power awarded to the Green lobby and its accolytes, not to mention the large subsidies in which they wallow, militates against rational and achievable policies being put in place.

CHAIRMAN'S STATEMENT

The Climate Change Levy is shortly to be increased, and in a few years, the sulphur content of bunker fuel, on which all our shipping depends, is to be lowered to 0.5% adding a vast new increase in the transport costs of goods, upon which modern man now depends.

Within our own investment world, myriad new regulations primarily but not solely exemplified by MIFID, are reducing coverage of smaller companies, and threatening the smaller brokerage sector, as well as exacerbating costs and demands on management time. Large institutions and private equity are swallowing an expanding share of funds for investment, although all studies show that over the longer-term, it is the small companies where the best returns are achieved. Happily, Herald Investment Trust, of which we have been contented shareholders, has shown an increase in NAV of 1224.85% since its foundation in 1994, whilst the Smaller Companies and AIM index has increased by 181%.

Such spectacular returns are seldom to be found in the large-cap sector, although certainly Reckitt-Benckiser amongst a select few has demonstrated its possibility.

The gloomy predictions of mankind's demise have been selling since Malthus' first forecast its imminent demise, yet in reality poverty, hunger, dirty air and other detriments have all decreased on a vast scale. Life is infinitely better than even 30 years ago, and even Manchester United is resurgent and smiling. Perhaps with a young crew, Oxford will surprise in the Boat Race.

Let us look with optimism to the future and slough off our subjugation to the gloomsters and their hair-shirt solutions to the World's problems. We at least will be wearing our wool or cotton, and munching our meat, whilst the nay-sayers persist in draping their limbs in polypropylene and other products related to plastic.

Genesis 1:31, 'And God saw everything that he had made, and behold, it was very good'.

My thanks to our team at Cheval Place remain profound how lucky we have been to find such an able band of brothers, or in this case, mostly sisters. Abbie, Nancy, Nick and Una well done; also to Chris and Sophie in Guernsey.

Robin Woodbine Parish
1 April 2019

EL ORO LTD

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

for the six months ended 31 December

	Notes	**2018 Unaudited £**	2017 Unaudited £
Revenue	**4a**	**586,981**	684,430
Net (losses) gains on investments	**4b**	**(5,903,988)**	1,931,695
		(5,317,007)	2,616,125
Total investment income			
Expenses	**5**	**(1,139,253)**	(637,639)
(Loss) / profit before finance costs and taxation		**(6,456,260)**	1,978,486
Finance costs		**(120,028)**	(254,504)
(Loss) / profit before taxation		**(6,576,288)**	1,723,982
Taxation credit		**331,009**	32,979
(Loss) / profit for the period		**(6,245,279)**	1,756,961
(Loss) / profit per share (basic and diluted)		**(9.9p)**	2.8p

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

for the six months ended 31 December

		2018 Unaudited £	2017 Unaudited £
Opening capital and reserves attributable to equity holders as at 30 June		**53,668,935**	55,680,730
(Loss) / profit for the period		**(6,245,279)**	1,756,961
Increase of share capital on cancellation of treasury shares		**196,829**	–
Decrease of retained earnings on cancellation of treasury shares		**(199,429)**	–
Increase in capital redemption reserve on cancellation of treasury shares		**2,600**	–
Dividends paid	**3**	**(1,595,460)**	(1,520,276)
Closing capital and reserves attributable to equity holders as at 31 December		**45,828,196**	55,917,415

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2018 (Unaudited) and 30 June 2018 (Audited)

	Notes	31 December 2018 Unaudited £	30 June 2018 Audited £
Non-current assets			
Property, plant and equipment	6	**1,955,441**	2,005,207
Current assets			
Investment in artwork held for resale		**250,000**	250,000
Investments held at fair value through profit or loss	7, 11	**35,566,467**	55,551,575
Trade and other receivables		**141,946**	562,335
Cash and cash equivalents	8	**10,397,112**	765,187
		46,355,525	57,129,097
Current liabilities			
Trade and other payables		**1,227,039**	914,583
Current tax liabilities		**10,327**	240,190
Financial liabilities at fair value through profit or loss		**–**	2,719,192
		1,237,366	3,873,965
Net current assets		**45,118,159**	53,255,132
Non-current liabilities			
Deferred tax liabilities		**1,245,404**	1,591,404
Net assets		**45,828,196**	53,668,935
Stockholders' equity			
Ordinary shares	9	**631,734**	434,906
Share premium reserve		**6,017**	6,017
Capital redemption reserve		**362,241**	359,641
Merger reserve		**3,564**	3,564
Revaluation reserve		**1,108,029**	1,108,029
Retained earnings reserve	10	**43,716,611**	51,756,778
Total equity		**45,828,196**	53,668,935
Net asset value per share		**72.5p**	85.0p

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

(Unaudited)
for the six months ended 31 December

	Notes	2018 Unaudited £	2017 Unaudited £
Operating activities			
(Loss) / profit before tax		**(6,576,288)**	1,723,982
Adjustments for:			
Depreciation		**49,766**	7,643
Net unrealised losses / (gains) on fair value investments through profit or loss		**5,858,120**	(1,940,959)
Finance costs (includes amortisation of capitalised loan note fee)		**120,028**	254,504
Cash flow from operations before changes in working capital		**(548,374)**	45,170
Decrease in financial assets at fair value through profit or loss		**13,888,744**	2,849,853
Decrease in trade and other receivables		**420,389**	659,272
Increase / (decrease) in trade and other payables		**359,769**	(226,822)
Cash flow from operations		**14,120,528**	3,327,473
Income taxes paid		**(244,854)**	(674,903)
Net cash generated from operating activities		**13,875,674**	2,652,570
Investing activities			
Purchase of property, plant and equipment		**–**	(3,105)
Net cash used in investing activities		**–**	(3,105)
Financing activities			
Interest paid		**(167,341)**	(252,895)
Net dividends paid to Shareholders		**(1,595,460)**	(1,520,276)
Interest rate swap repayment		**(2,480,948)**	–
Repayment of borrowings		**–**	(1,500,000)
Net cash used in financing activities		**(4,243,749)**	(3,273,171)
Net increase / (decrease) in cash and cash equivalents		**9,631,925**	(623,706)
Cash and cash equivalents at 30 June		**765,187**	913,260
Cash and cash equivalents at 31 December	8	**10,397,112**	289,554

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION

El Oro Ltd (the Company) and its subsidiaries (together 'the Group') trade in investments world-wide, with investments in UK companies forming the larger portion of the portfolio. Operationally the management of the consolidated portfolio is co-ordinated as two separate portfolios: the Growth and Income portfolio managed in the UK (trading company) and the Growth portfolio managed in Guernsey (holding company).

The Company is a registered closed-ended investment scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and The Registered Collective Investment Scheme Rules, 2015 issued by the Guernsey Financial Services Commission (the "Commission"). The Unaudited Condensed Consolidated Interim Financial Statements ("Financial Statements") for the six months ended 31 December 2018 do not constitute statutory accounts within the meaning of section 238 of the Guernsey Company Law (2008).

The Financial Statements have not been subject to review or audit by the Group's Auditor PricewaterhouseCoopers CI LLP.

The Financial Statements were approved by the Board of Directors on 1 April 2019.

El Oro Ltd is listed on The International Stock Exchange (TISE) – ticker (ELX).

El Oro Ltd was admitted to trading on the Stock Exchange Electronic Trading System ("SETSqx") of the London Stock Exchange during June 2011 (ticker 'ELX').

2. ACCOUNTING POLICIES

The Group's accounting policies have been applied consistently, except as detailed in note 2.3 below, in dealing with items which are considered material in relation to the audited financial statements of the El Oro Ltd Group for the year ended 30 June 2018.

2.1 Basis of preparation

These condensed consolidated interim financial statements of the Group for the six months ended 31 December 2018 have been prepared in accordance with IAS 34, 'Interim Financial Reporting' which comprise standards and interpretations approved by the IASB and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018, which been prepared in accordance with IFRS. The financial statements have been prepared on a basis other than a going concern (see note 2.3).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the audited financial statements of El Oro Ltd.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.2 Basis of consolidation

The Company qualifies as an Investment Entity in accordance with IFRS 10 and therefore carries its investments at fair value through the profit and loss, with the exception of the Company's wholly owned UK subsidiary investment companies (which provide investment related services to the Company) which the Company consolidates on the basis of control.

All subsidiaries were wholly owned throughout the financial year. Inter-company balances, income and expenses arising from inter-company transactions, are eliminated in the preparation of the consolidated financial statements.

2.3 Going concern

At the November 2016 AGM the shareholders passed a special resolution altering the Company's articles so that within six months of the 2018 AGM (which was held on 20 December 2018) the Company will be put into liquidation.

In November 2018, as an alternative to a straight forward liquidation, the Board announced that it entered into negotiations with JP Morgan Elect plc ('JPME') (an investment trust company whose shares are admitted to the premium segment of the Official List, and to trading on the main market for listed securities, of the London Stock Exchange) and had agreed heads of terms with the board of JPME, for JPME to provide a "rollover" option for Members of the Company. JPME provides investors with access to a number of different investment strategies, including one focussed on UK equity income, through a multi-share class structure. The Board believes this "rollover" option where shares in the Company are exchanged for shares in JPME could appeal to Members and intend to ask them to vote on this option as an alternative to the liquidation envisaged by the November 2016 resolution.

As at 31 December 2018, the directors concluded that, given the net assets of the Company and the Group and taking into account reasonable possible changes in performance and expenses and the likelihood of either going into liquidation or 'rolling' over its shares into JPME, it was not appropriate to adopt the going concern basis of accounting in preparing these unaudited consolidated financial statements.

Accordingly the directors have prepared these condensed consolidated interim financial statements as at 31 December 2018 on the basis that the Company will go into liquidation in the next six months. This change in accounting policy has resulted in the following adjustment to the accounts.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

	31 December 2018 Unaudited £
a. Provision for anticipated difference between the fair value of investments held and their net realisable value in a six month time frame.	**(2,268,163)**
b. Provision for liquidation and/or restructuring costs associated with the two possible likely outcomes for the Company and the Group as set out above.	**(360,000)**
	(2,628,163)
Impact per share	**(4.2 p)**

These provisions have been reflected in the Consolidated Statement of Comprehensive Income for the six months ended 31 December 2018 on page 5 and the Consolidated Statement of Financial Position as at 31 December 2018 on page 6.

Prior period figures have not been adjusted as the application of the new policy reflects circumstances that did not exist in the past.

The Group currently has an outstanding bank loan of £nil million (30 June 2018: £3.1 million: 31 December 2017: £4.6 million). The repayment of the loan was financed by the sale of securities.

The Group also has an outstanding interest rate swap liability of £nil million (30 June 2018: £3.1 million; 31 December 2017: £3.1 million). The repayment of this liability was financed by the sale of securities.

2.4 Standards, amendments and interpretations

New, relevant and effective in current and future financial years
IFRS 9, Financial instruments and associated amendments to various other standards (effective 1 January 2018).
IFRS 15, Revenue from contracts with customers and associated amendments to various other standards (effective 1 January 2018).
Amendment to IFRS 2 on the classification and measurement of Share Based Payment Transactions (effective 1 January 2018).
Interpretation 22 Foreign Currency Transaction and Advance Consideration (effective 1 January 2018).
IFRS 16, Leases (effective 1 January 2019).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

The directors have reviewed the new standards and interpretations, and has concluded they do not or will not have a significant effect on the financial statements of the Group. The impact assessment of these standards, amendments and interpretations is ongoing.

3. Dividends paid

A final dividend of 2.54 pence was paid in relation to the year ended 30 June 2018 on 26 November 2018.

4. INVESTMENT INCOME

a. Revenue	31 December 2018 Unaudited £	31 December 2017 Unaudited £
Dividends from investments	**585,176**	682,608
Other income	**1,805**	1,822
	586,981	684,430

b. Net gains / (losses) from investments	31 December 2018 Unaudited £	31 December 2017 Unaudited £
Net realised gains on fair value of investments through the profit or loss	**4,411,960**	1,099,359
Net unrealised gains / (loss) on fair value of investments through the profit or loss	**(10,728,302)**	776,604
Net foreign exchange gains	**412,354**	55,732
	(5,903,988)	1,931,695

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

5. EXPENSES AND FINANCE COSTS

The details of expenses by nature are shown below.

	31 December 2018 £	31 December 2017 £
Provision for liquidation and/or restructuring costs (see note 2.3)	**360,000**	–
Employment costs	**352,205**	342,530
Legal fees	**104,276**	–
Listing fees and related costs	**64,095**	74,275
Custodial costs	**51,000**	51,146
Depreciation and amortisation	**49,766**	7,643
Research	**43,737**	35,225
Auditor's remuneration	**38,208**	42,111
Property running costs	**17,250**	18,627
Other expenses	**58,710**	66,082
	1,139,253	637,639

Employment costs include the following items	**31 December 2018 £**	31 December 2017 £
Wages and Salaries	**327,450**	317,746
Social Security costs	**23,167**	24,011
Pension costs	**1,588**	773
	352,205	342,530

	31 December 2018	31 December 2017
Monthly average staff numbers (including executive Director)		
Investing / research	**1**	1
Administration	**4**	4
	5	5

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of the following:

	31 December 2018 Unaudited £	30 June 2018 Audited £
Freehold property	**1,930,500**	1,950,000
Fixtures, fittings, paintings and computer equipment	**24,941**	55,207
	1,955,441	2,005,207

During the year to 30 June 2018 the Directors obtained three independent valuations of the property and subsequently revalued the property to reflect its fair value - as a consequence depreciation previously written off was written back and the cost basis was revalued to £1,950,000. The directors have considered this valuation as at 31 December 2018 and do not consider that it has materially changed.

The fair value of the Group's freehold property is considered to be within the Level 3 fair value hierarchy of non-financial assets measured at fair value on a recurring basis as of 30 June 2018 and 31 December 2018. The valuation process was conducted by the appraisers in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and building, and the comparable prices in the corresponding property location. (IFRS13.27 and 29)

The revaluation surplus, net of applicable deferred income taxes, is presented as part of the Revaluation Reserves account in the equity section of the statement of financial position.
IAS 16.77(a-d)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

In accordance with IFRS 13 the Group has classified for disclosure purposes fair market measurements in relation to the degree of reliability of these measurements. The classification uses a hierarchy that reflects the significance of the inputs used in making the measurements, using the following levels.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

The table below shows the fair value hierarchy of the Group's financial assets held at fair value through profit or loss.

	31 December 2018	30 June 2018
	Unaudited	Audited
	£	£
Level 1 - quoted prices (unadjusted)	**30,860,666**	45,110,529
Level 2 - observable price inputs	**430,922**	2,647,631
Level 3 - unobservable price inputs	**4,274,879**	7,793,415
	35,566,467	55,551,575

8. CASH AND CASH EQUIVALENTS

	31 December 2018	30 June 2018
	Unaudited	Audited
	£	£
Cash available on demand	**10,397,112**	765,187

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

9. ORDINARY SHARES IN ISSUE

	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	Unaudited	Audited	**Unaudited**	Audited
	Number of Shares	Number of Shares	**£**	£
Issued capital as at 30 June and 31 December (excluding Treasury shares)	**63,173,398**	63,173,398	**631,734**	434,906
Treasury account as at 31 December	**–**	260,045	**–**	199,429

Weighted average number of shares outstanding in the period was 63,361,247 (prior period: 63,433,443).

10. EQUITY AND RESERVES

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 30 June 2017 (audited)	434,906	6,017	359,641	3,564	–	54,876,602	55,680,730
Profit for the period	–	–	–	–	–	1,756,961	6,792,079
Dividends (net)	–	–	–	–	–	(1,520,276)	(1,520,276)
As at 31 Dec 2017 (unaudited)	434,906	6,017	359,641	3,564	–	55,113,287	55,917,415

	Capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 30 June 2018 (audited)	434,906	6,017	359,641	3,564	1,108,029	51,756,778	53,668,935
Loss for the period	–	–	–	–	–	(6,245,279)	(6,245,279)
Increase of share capital on cancellation of treasury shares	196,829	–	–	–	–	–	196,829
Decrease of retained earnings on cancellation of treasury shares	–	–	–	–	–	(199,429)	(199,429)
Increase in capital redemption reserve on cancellation of treasury shares	–	–	2,600	–	–	–	2,600
Dividends (net)	–	–	–	–	–	(1,595,460)	(1,595,460)
As at 31 Dec 2018 (unaudited)	631,734	6,017	362,241	3,564	1,108,029	43,716,611	45,828,196

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

11. INVESTMENTS VALUED AT OVER GBP 1 MILLION

Investment	Underlying currency	Fair value GBP	% of portfolio
		31 December 2018 (Unaudited)	
Young & Co.	GBP	3,562,500	10.0%
Fuller, Smith & Turner	GBP	2,011,172	5.7%
M P Evans Group	GBP	1,970,105	5.5%
Hurricane Energy	GBP	1,316,400	3.7%
Phoenix Group	GBP	1,073,450	3.0%
		9,933,627	**27.9%**
	Other holdings	**25,632,840**	**72.1%**
	Portfolio	**35,566,467**	**100.0%**
		30 June 2018 (Audited)	
Young & Co.	GBP	4,627,000	8.3%
M P Evans Group	GBP	2,436,945	4.4%
Fuller, Smith & Turner	GBP	2,162,416	3.9%
Kuala Lumpur Kepong	MYR	1,960,943	3.5%
James Halstead	GBP	1,869,300	3.4%
Hurricane Energy	GBP	1,484,722	2.7%
REA Holdings	GBP	1,243,644	2.2%
Herald Investment Funds	GBP	1,096,628	2.0%
Hampden	GBP	1,050,000	1.9%
		17,931,598	**32.3%**
	Other holdings	**37,619,977**	**67.7%**
	Portfolio	**55,551,575**	**100.0%**

12. OPERATING SEGMENTS

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

Financial information for both segments is reviewed regularly by the Chairman and the Board who allocate resources and assess performance.

OFFICERS

EL ORO LTD (GUERNSEY)	EL ORO AND EXPLORATION COMPANY LIMITED (UK)
DIRECTORS	**DIRECTORS**
CRW Parish, M. A. (Oxon) (Chairman)	CRW Parish, M. A. (Oxon) (Chairman)
RAR Evans	EW Houston
SB Kumaramangalam	DRL Hunting
RE Wade	RE Wade
JA Wild	JA Wild
REGISTERED OFFICE	**REGISTERED OFFICE**
East Wing Trafalgar Court Les Banques St Peter Port Guernsey GY1 3PP	41 Cheval Place London SW7 1EW
SECRETARY	**SECRETARY**
Aztec Financial Services (Guernsey) Limited Contact: C Copperwaite	U Ni Dhonaill

ADVISERS

AUDITOR	REGISTRAR
PricewaterhouseCoopers CI LLP Chartered Accountants and Registered Auditors PO Box 321 Royal Bank Place First Floor 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND Channel Islands	Computershare Investor Services (Guernsey) Limited 3rd Floor, NatWest House Le Truchot St Peter Port Guernsey GY1 1WD
CUSTODIAN	**SHAREHOLDER CORRESPONDENCE**
HSBC Bank plc 8 Canada Square London E14 5HQ	Computershare Investor Services (Guernsey) Limited c/o Queensway House Hilgrove Street St Helier Jersey JE1 1ES