THE GLOBAL INVESTMENT BASKET LIMITED

Report and Financial Statements

For the year ended 30 June 2010

REPORT AND FINANCIAL STATEMENTS
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REPORT AND FINANCIAL STATEMENTS
GENERAL INFORMATION

DIRECTORS:	J Lewis C Hickling D Stephenson
ADMINISTRATOR, SECRETARY AND REGISTRAR:	Praxis Property Fund Services Limited PO Box 296 Sarnia House Le Truchot St Peter Port Guernsey GY1 4NA
REGISTERED OFFICE:	Sarnia House Le Truchot St Peter Port Guernsey GY1 4NA
AUDITOR:	Saffery Champness PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
BANKERS:	Investec Bank (Channel Islands) Limited PO Box 188 La Vielle Cour La Plaiderie St Peter Port Guernsey GY1 3LP

REPORT OF THE DIRECTORS
For the year ended 30 June 2010

The Directors present their report and the audited financial statements for the year ended 30 June 2010.

Principal Activity

The principal activity of the Company is investment holding.

The Company is a Guernsey authorised closed-ended investment scheme and is subject to the Authorised Closed-Ended Investment Scheme Rules 2008.

Under the terms of the Company's prospectus, in the absence of a special resolution to extend the life of the Company, the Company's shares will be redeemed and the Company will terminate on 1 May 2013.

Results and Dividends

The Statement of Total Comprehensive Income is set out on page 7. The Directors do not propose a dividend for the year (2009: Nil).

Directors

The Directors of the Company during the year and to the date of this report are detailed below.

J Lewis

C Hickling

D Stephenson

No Director had any beneficial interest in the shares of the Company.

Directors' Responsibilities

Guernsey company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these 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;
- prepare the financial statements according to applicable standards, subject to any material departure disclosed and explained in the financial statements; and
- prepare the 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 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Responsibilities (continued)

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.
- the financial statements give a true and fair view and have been prepared in accordance with International Financial Reporting Standards and with The Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Auditor

A resolution to re-appoint Saffery Champness as auditor will be put to the members at the Annual General Meeting.

By Order of the Board

Chris Hickling
Director
13 December 2010

INDEPENDENT AUDITOR'S REPORT
To the members of Global Investment Basket Limited

We have audited the financial statements of Global Investment Basket Limited for the year ended 30 June 2010, which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes to the financial statements. These financial statements have been prepared in accordance with the financial policies set out therein.

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 has been 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's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities on pages 4 and 5, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opionion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable law. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards, of the state of affairs of the Company as at 30 June 2010 and of its total comprehensive income for the year then ended; and
- have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.

SAFFERY CHAMPNESS

13 December 2010

STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Notes	**2010** £	2009 £
REVENUE			
Interest income	3	**4,290**	49,232
(LOSSES)/GAINS ON INVESTMENTS			
Investments at fair value through profit and loss	4	**(207,189)**	(1,815,186)
Available-for-sale investments - realised	5	**40,629**	-
Held-to-maturity investments	6	**-**	1,218,028
		(162,270)	(547,926)
OPERATING EXPENSES	7	**(294,389)**	(369,431)
LOSS FOR THE YEAR		**(456,659)**	(917,357)
Loss per share			
Basic - ordinary shares	8	**(24.43)**	(48.24)
OTHER COMPREHENSIVE INCOME			
GAINS ON INVESTMENTS			
Available-for-sale investments - unrealised	5	**1,640,767**	1,464,541
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,184,108**	547,184

All of the Company's revenue and expenses derive from continuing operations.

The notes on pages 11 to 19 are an integral part of these financial statements.

THE GLOBAL INVESTMENT BASKET LIMITED

STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Notes	**2010** £	**2010** £	2009 £	2009 £
NON-CURRENT ASSETS					
Investments at fair value through profit and loss	4	**112,216**		333,096	
Available-for-sale investments	5	**19,865,825**		19,145,033	
			19,978,041		19,478,129
CURRENT ASSETS					
Trade and other receivables	9	**96,570**		106,331	
Cash and cash equivalents	10	**861,226**		1,195,908	
		957,796		1,302,239	
CURRENT LIABILITIES					
Trade and other payables	11	**6,000**		6,000	
NET CURRENT ASSETS			**951,796**		1,296,239
NON-CURRENT LIABILITIES					
Trade and other payables	11		**(38,117)**		(53,523)
			20,891,720		20,720,845
CAPITAL AND RESERVES					
Share capital	12		**193**		202
Share premium	13		**21,876,007**		22,889,231
Revaluation reserve			**3,034,933**		1,464,541
Retained earnings			**(4,019,413)**		(3,633,129)
EQUITY SHAREHOLDERS' FUNDS			**20,891,720**		20,720,845
Number of fully paid Ordinary shares of £0.01 each			**18,285**		19,208
Net Asset Value per Share			**£ 1,142.56**		£ 1,078.76

The financial statements were approved by the Board and authorised for issue by:

Chris Hickling
Director
13 December 2010

The notes on pages 11 to 19 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2010

	Management Shareholders	Ordinary Shareholders				Total
	Share capital £	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Total £
At 30 June 2008	10	209	24,689,267	-	(2,715,772)	21,973,714
Redemptions	-	(17)	(1,800,036)	-	-	(1,800,053)
Total comprehensive income for the year	-	-	-	1,464,541	(917,357)	547,184
At 30 June 2009	10	192	22,889,231	1,464,541	(3,633,129)	20,720,845
Redemptions (see notes 12,13)	**-**	**(9)**	**(1,013,224)**	**-**	**-**	**(1,013,233)**
Recycling of prior year revaluation gains on investments disposed of during the year	**-**	**-**	**-**	**(70,375)**	**70,375**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**1,640,767**	**(456,659)**	**1,184,108**
At 30 June 2010	**10**	**183**	**21,876,007**	**3,034,933**	**(4,019,413)**	**20,891,720**

The notes on pages 11 to 19 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2010

	Notes	**2010** £	2009 £
Operating loss for the year		**(456,659)**	(917,357)
Adjustments for:			
Interest income	3	**(4,290)**	(49,232)
Unrealised loss on investments at fair value through profit and loss	4	**207,189**	1,815,186
Gains on available-for-sale investments	5	**(40,629)**	-
Gains on held-to-maturity investments	6	**-**	(1,218,028)
Decrease in trade and other receivables	9	**9,761**	21,551
(Decrease)/increase in trade and other payables	11	**(15,406)**	14,862
Net cash outflow from operating activities		**(300,034)**	(333,018)
Cash flows from investing activities			
Bank interest received	3	**4,290**	49,232
Disposals of investments at fair value through profit and loss	4	**13,691**	53,246
Disposals of available-for-sale investments	5	**960,604**	-
Disposals of held-to-maturity investments	6	**-**	1,652,006
Net cash inflow from investing activities		**978,585**	1,754,484
Cash flows from financing activities			
Redemptions of ordinary share capital	12,13	**(1,013,233)**	(1,800,053)
Net cash outflow from financing activities		**(1,013,233)**	(1,800,053)
Decrease in cash and cash equivalents for the year		**(334,682)**	(378,587)
Cash and cash equivalents at the beginning of the year		**1,195,908**	1,574,495
Cash and cash equivalents at the end of the year	10	**861,226**	1,195,908

The notes on pages 11 to 19 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation
The financial statements of Global Investment Basket Limited, with domicile in Guernsey, have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Going concern
The financial statements have been prepared on a going concern basis.

Adoption of new and revised Standards
The following Standards are effective for the current period and have been applied in these financial statements:

• IAS 1 (Revised), *'Presentation of financial statements'* (effective 1 January 2009, amends the presentation of financial statements, in particular to include a statement of comprehensive income, to include all non-owner changes in equity);

• IFRS 7 (amended), *'Financial Instruments: Disclosures'* (effective 1 January 2009, requires enhanced disclosures concerning fair value measurement and liquidity risk).

The International Accounting Standards Board's ('IASB') annual improvements project of 2008 amended a number of existing standards with effect from 1 January 2009, none of which has had a material impact on the Company.

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

• IAS 24 (amended), *'Related Party Disclosures' (effective for periods commencing on or after 1 January 2011);*

• IAS 32 (amended), *'Financial Instruments: Presentation' (effective for periods commencing on or after 1 February 2010);*

• IFRS 2 (amended), *'Share-based Payment' (effective for periods commencing on or after 1 January 2010);*

• IFRS 7 (amended), *'Financial Instruments: Disclosures' (effective for periods commencing on or after 1 July 2011);*

• IFRS 9, *'Financial Instruments - Classification and Measurement' (effective for periods commencing on or after 1 January 2013);*

• IFRIC 19, *'Extinguishing Financial Liabilities with Equity Instruments' (effective for periods commencing on or after 1 July 2010).*

In addition the IASB completed its second and third annual improvements projects in April 2009 and May 2010 respectively. These projects amended a number of existing standards and interpretations effective for accounting periods commencing between 1 July 2009 and 1 January 2011.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except as follows:-

- IFRS 9 will introduce new requirements for classifying and measuring financial assets.

Foreign exchange
Foreign currency assets and liabilities are translated into Sterling at the rate of exchange ruling on the year end date. Foreign currency transactions are translated into Sterling at the rate of exchange ruling on the date of the transaction. Foreign exchange gains and losses are recognised in the Statement of Total Comprehensive Income in the period in which they arise.

Income
Bank interest is accounted for on an accruals basis.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Investments
The Company's option investments are designated as held-for-trading and as such are classified as investments at fair value through profit or loss.

The Company's bond investments were reclassified as available-for-sale investments on 30 September 2009. Previously these investments had been classified as held-to-maturity investments.

All investments are measured initially at cost, which is the fair value of whatever was paid to acquire them. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Investments are derecognised when the rights to receive cash flows from the investments have expired of the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, the Company uses the following measurement basis for its investments:

i) Investments held-for-trading and those designated to the category at inception: Fair value through profit and loss;

ii) Held-to-maturity investments: Amortised cost;

iii) Available-for-sale investments: Fair value through equity.

Fair value is calculated using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the year end date. Amortised cost is calculated using the effective interest method. Gains arising on the disposal of investments are recognised in the Statement of Comprehensive Income, as are unrealised gains on investment at fair value through profit and loss and held-to-maturity investments. Unrealised gains on available-for-sale investments are recognised in other comprehensive income. All gains or losses are recognised in the period in which they arise. Prior year revaluation gains on available-for-sale investments disposed of during the year are recycled through profit and loss in the period in which the investments are disposed of.

Taxation
The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (as amended) and is charged an annual exemption fee of £600.

2. SIGNIFICANT AGREEMENTS

The following significant agreements have been entered into by the Company:

Administration, Custodian and Secretarial Agreement
Under the Administration, Custodian and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the administrator, for its services as administrator, secretary, custodian and registrar, a fee of 0.1% per annum of the Company's funds, payable annually in advance each year until the termination date, the date of compulsory redemption of the ordinary shares. In addition the administrator is entitled to receive interest earned by the Company on the unpaid element of the fees.

Investment Advisory Agreement
Under the Investment Advisory Agreement, the Company has agreed to pay or procure to be paid to the advisor, for its services as advisor, a fee of 0.5% per annum of the Company's funds, payable in advance on the first Business Day of each year, until the Termination Date as defined above. In addition the advisor is entitled to receive interest earned by the Company on the unpaid element of the fees.

Distribution Agreement
Under the Distribution Agreement, the Company has agreed to pay or procure to be paid to the Distributors a fee of 0.7% per annum of the Company's funds payable in advance on the first Business Day of each year, until the Termination Date.

3. INTEREST INCOME

	2010	2009
	£	£
Bank interest receivable	**4,290**	49,232

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2010	2009
UBS option	£	£
Balance brought forward	**333,096**	2,201,528
Disposals	**(13,691)**	(53,246)
Decrease in fair value for the year	**(207,189)**	(1,815,186)
	112,216	333,096

5. AVAILABLE-FOR-SALE INVESTMENTS

	2010	2009
Bonds issued by Investec plc	£	£
Balance brought forward	**19,145,033**	-
Reclassification from held-to-maturity	**-**	17,680,492
Disposals	**(960,604)**	-
Gains on disposals	**40,629**	-
Increase in fair value for the year	**1,640,767**	1,464,541
Fair value carried forward	**19,865,825**	**19,145,033**

6. HELD-TO-MATURITY INVESTMENTS

	2010	2009
Bonds issued by Investec plc	£	£
Balance brought forward	**-**	18,114,470
Disposals	**-**	(1,652,006)
Gains on disposals	**-**	116,704
Amortisation gain for the year	**-**	1,101,324
Reclassification to available-for-sale	**-**	(17,680,492)
Amortised cost carried forward	**-**	**-**

7. OPERATING EXPENSES

	2010	2009
	£	£
Administration fees	**22,745**	25,173
Auditor's remuneration	**6,400**	7,750
Distributors' fees	**158,262**	169,507
Guernsey Financial Services Commission licence fees	**2,750**	2,450
Investment advisory fees	**113,111**	125,328
Other finance payable	**(15,406)**	27,970
Facilitation fees	**-**	4,419
Listing fees	**1,192**	1,996
Sponsor fees	**2,220**	2,064
Statutory fees	**1,100**	1,290
Professional indemnity insurance	**1,400**	481
Sundry expenses	**615**	1,003
	294,389	369,431

8. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per share is based on the following data:

Earnings attributable to Ordinary shares:	2010	2009
	£	£
Earnings for purpose of basic earnings per share being profit/(loss) for the year attributable to Ordinary shareholders	**(456,659)**	(917,357)

Number of shares:		
Weighted average number of Ordinary shares for the purpose of basic earnings per share	**18,694**	19,018

9. TRADE AND OTHER RECEIVABLES

	2010	2009
	£	£
Sundry debtors and prepayments	**96,570**	106,331

10. CASH AND CASH EQUIVALENTS

	2010	2009
	£	£
Cash at bank	**106,326**	195,234
Cash held on short term deposit	**754,900**	1,000,674
Balances at bank	**861,226**	1,195,908

11. TRADE AND OTHER PAYABLES

	2010	2009
Due within one year	**£**	£
Audit fees	**6,000**	6,000
Due after more than one year		
Interest payable	**38,117**	53,523

12. SHARE CAPITAL

	2010	2009
Authorised:	**£**	£
999,000 Ordinary Shares of £0.01 each	**9,990**	9,990
10 Management Shares of £1 per share	**10**	10
	10,000	10,000

	2010	2009
Issued:	**£**	£
18,285 Ordinary shares of £0.01 each (2009: 19,208)	**183**	192
10 Management shares of £1 per share	**10**	10
	193	202

Ordinary shares are entitled to 1 vote each at a general meeting of the company. The Ordinary shares will be compulsorily redeemed on the termination date, 26 April 2013. Management shares are entitled to 10,000 votes each at a General Meeting of the Company.

82 Ordinary shares were redeemed on 27 August 2009 for a consideration of £1,123.85 per share.
181 Ordinary shares were redeemed on 28 September 2009 for a consideration of £1,096.82 per share.
329 Ordinary shares were redeemed on 12 November 2009 for a consideration of £1,080.15 per share.
75 Ordinary shares were redeemed on 16 February 2010 for a consideration of £1,094.99 per share.
110 Ordinary shares were redeemed on 17 February 2010 for a consideration of £1,103.30 per share.
146 Ordinary shares were redeemed on 7 April 2010 for a consideration of £1,121.21 per share.

13. SHARE PREMIUM

	2010	2009
	£	£
Balance brought forward	**22,889,231**	24,689,267
Ordinary shares redeemed during the year	**(1,013,224)**	(1,800,036)
Balance carried forward	**21,876,007**	22,889,231

14. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The immediate controlling party at the year end date is Praxis Fiduciaries Limited as trustee of The Basket Trust, which owns the management shares in the Company, and the ultimate controlling party is Praxis Holdings Limited, a company incorporated in Guernsey.

Praxis Property Fund Services Limited ('PPFSL'), the administrator of the Company, is deemed a related party as Janine Lewis and Chris Hickling are directors of the Company and of PPFSL. During the year PPFSL received £22,745 (2009: £25,173) for their services as administrator. At the year end date administration fees of £7,439 had been paid in advance (2009: £8,009).

15. FINANCIAL INSTRUMENT RISK FACTORS

The Company is exposed to market risk, credit risk, liquidity risk and capital management risk from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

(i) Market risk

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is not materially exposed to foreign exchange risk as most transactions are in Sterling. The Company's management monitors exchange rate fluctuations on an on-going basis.

The Company has no material currency exposures as at either 30 June 2010 or 30 June 2009.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as it invests cash and bank balances at short term interest rates. At 30 June 2010, the Company held cash on a call account of £106,326 (2009: £195,235), which earns interest at a floating rate. The Company held £754,900 on a fixed deposit account (2009: £1,000,675 on a direct reserve account).

Had these balances existed for the whole of the period, the effect of a increase of 0.5%/decrease of 0.25% in short term interest rates per annum would have been an increase of £4,306/decrease of £2,153 in total comprehensive income for the year.

The Company had no other interest rate exposures as at either 30 June 2010 or 30 June 2009.

(c) Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company's investments at fair value through profit and loss and available-for-sale investments are directly affected by changes in market prices.

Price risk is managed by investing in a European call option on a basket of indices, with an international bank, UBS AG. The bank has a long-term credit rating by Standard and Poor's of A+ (2009: A+).

Price risk is managed by investing in a zero coupon bond, with an international bank, Investec plc. The bank has a long-term Fitch credit rating of BBB (2009: BB+).

15. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk (continued)

(c) Price risk (continued)

The investments at fair value through profit and loss and available-for-sale investments expose the Company to price risk. The details are as follows:

	2010	2009
	£	£
European call option with UBS AG	**112,216**	333,096
Investec plc Zero Coupon Bonds	**19,865,825**	19,145,032
	19,978,041	19,478,128

A 3 per cent increase/decrease in the value of the investments at fair value through profit and loss at 30 June 2010 would have increased/decreased total comprehensive income for the year by £3,366 (2009: £9,993).

A 3 per cent increase/decrease in the value of the available-for-sale investments at 30 June 2010 would have increased/decreased total comprehensive income for the year by £612,392 (2009: £574,351).

(ii) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the year end date. These financial assets include cash and cash equivalents, debtors, available-for-sale investments and investments at fair value through profit and loss. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value or fair value of these instruments. The credit risk of the Company is managed by the investment advisor and assets are held with reputable banking institutions with a good credit rating.

The Company has determined to maintain its cash and cash equivalent balances with financial institutions which have a Moody's credit rating of at least Prime -2. The Company monitors the placement of cash balances on an ongoing basis.

The majority of the Company's trade and other receivables consists of prepayments and there is no credit risk associated with these balances.

The available-for-sale investments are held with Investec plc, which has a Fitch long term rating of BBB (2009: BB+). The investments at fair value through profit and loss are held with UBS AG, which has a Standard and Poor's long-term rating of A+ (2009: A+).

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial liability obligations as they fall due, which may cause financial losses to the Company. The Company places its cash and cash equivalents with financial institutions on a short-term basis in order to maintain a high level of liquidity. This ensures that the Company is able to complete transactions in a timely manner, thus minimising the Company's exposure to such losses.

The Board reviews the cash of the Company every quarter and will subsequently move monies from the direct reserve to the call account to meet its short-term obligations. At 30 June 2010 the cash on call was £861,226, which is considered by the Board as sufficient funds to meet all the Company's short-term obligations.

15. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(iii) Liquidity risk (continued)

The table below analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period from the year end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

30 June 2010	**Less than 6 months** £	**6-12 months** £	**1 - 5 years** £
Trade and other payables	**6,000**	**-**	**38,117**
Total exposure	**6,000**	**-**	**38,117**

30 June 2009	Less than 6 months £	6-12 months £	1 - 5 years £
Trade and other payables	6,000	-	53,523
Net exposure	6,000	-	53,523

(iv) 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 to maintain an optimal capital structure to reduce the cost to capital.

In order to ensure that the Company will be able to continue as a going concern, the Board continuously monitors forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Company has no external borrowings.

(v) Fair value hierarchy

The table below analyses instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 (ie as prices) or indirectly (ie derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2010	**Level 1** €	**Level 2** €	**Level 3** €	**Total** €
Investments at fair value through profit and loss	**-**	**112,216**	**-**	**112,216**
Available-for-sale investments	**-**	**19,865,825**	**-**	**19,865,825**
	-	**19,978,041**	**-**	**19,978,041**

15. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(v) Fair value hierarchy (continued)

As at 30 June 2009	Level 1	Level 2	Level 3	Total
	€	€	€	€
Investments at fair value through profit and loss	-	333,096	-	333,096
Available-for-sale investments	-	19,145,033	-	19,145,033
	-	19,478,129	-	19,478,129