Ignition Brazil Fund #3 Limited

Annual Report and Consolidated Financial Statements for the period from incorporation on 27 January 2011 to 31 March 2012

CONTENTS

MANAGEMENT AND ADMINISTRATION

Directors

Mr. Anton Dominic Lane	(Appointed 27 January 2011)
Mr. Jason James Purvor	(Appointed 27 January 2011)
Mr. Andrew Christopher Mason	(Appointed 27 January 2011)
Mr. Benjamin Raphael Nicholas Warner	(Appointed 27 January 2011)
Mrs. Eleanor Ann Monaghan	(Appointed 27 January 2011)
Mr Ron Pilbeam	(Appointed 26 July 2012)

Registered Office

Ignition Brazil Fund #3 Limited
International House
41 The Parade
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JE2 3QQ

Investment Advisor and Promotor

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BS16 1FX

Administrator, Registrar and Secretary

Europlan Fund Administrators Limited
International House
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Jersey
JE2 3QQ

Bankers

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JE4 8PX

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MANAGEMENT AND ADMINISTRATION (continued)

Independent Auditor and Taxation Advisers

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Listing Sponsor

Appleby Securities (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton
Bermuda

DIRECTORS' REPORT

The Company

Ignition Brazil Fund #3 Limited (the "Fund") a Jersey closed ended investment company with the registration number 107405, was incorporated on 27 January 2011, under the provisions of the Companies (Jersey) Law 1991, as a public company Limited by Shares. The Company obtained consent from the Jersey Financial Services Commission in relation to the issue of shares pursuant to the Control of Borrowing (Jersey) Order 1958 on 27 January 2011.The Fund is an unregulated exchange-traded fund established in accordance with Article 2(2) of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. The Fund is due to terminate on 7 October 2014, or such other later date as the Ordinary Shareholders may approve in general meeting of the Fund, subject to the terms of the Offering Document and the Articles of Association.

Investors participate as Preference Shareholders in the Fund via a subscription to either Class A and/or Class B Preference Shares. The Fund received approval for the listing of both Class A and Class B Preference Shares on the Bermudan Stock Exchange on 16 March 2012.

Investment Objective

The principal activity of the Fund is to provide investors with an opportunity to invest into the Brazilian land market for the development of social housing and to benefit from the accessibility to this market by the pooling of funds. The Fund will seek to achieve a high rate of return for investors through capital appreciation on the land purchased for development purposes.

Pursuant to the terms of the Investment Advisory Agreement and the Offering Document, the Fund has appointed Ignition Investments Limited (the "Investment Advisor"), a company incorporated under the laws of England and Wales with the company number 6412161, to act as Investment Advisor to recommend and give general advice whenever called upon to do so concerning the investment, realisation and re-investment of the assets of the fund.

Details of the directors of the Investment Advisor, Ignition Investments Limited, who held office during the period from 27 January 2011 to 31 March 2012 and who were responsible for recommendation of investments and to provide general advice to the directors of the Fund throughout that period are given below:

Mr. Anton Dominic Lane
Mr. Jason James Purvor
Mr. Phillip Wye

Details of related directorships and other interests of the directors of both the Fund and the Investment Advisor are outlined in Note 15 of these financial statements.

As at 31 March 2012, the Fund had not made any investments. However, in the subsequent period up to the date of this report, the directors agreed to make the investment outlined in note 16.

Going Concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

Results for the period

The results for the period are set out on page 11.

DIRECTORS' REPORT (continued)

Dividend

In accordance with the anticipated approach towards distributions of income and capital outlined in the Offering Document, the directors do not recommend the payment of a dividend for the period. Retained results will be transferred to reserves.

Directors

Details of the directors of the company, who held office during the period and subsequently to the date of this report, are given below:

Mr. Anton Dominic Lane	(Appointed 27 January 2011)
Mr. Jason James Purvor	(Appointed 27 January 2011)
Mr. Andrew Christopher Mason	(Appointed 27 January 2011)
Mr. Benjamin Raphael Nicholas Warner	(Appointed 27 January 2011)
Mrs. Eleanor Ann Monaghan	(Appointed 27 January 2011)

Details of the directors of the company, who held office after the period to the date of this report, are given below:

Mr Ronald Pilbeam	(Appointed 26 July 2012)

Secretary

Europlan Fund Administrators Limited was appointed as secretary on 27 January 2011 and held this office during the period and subsequently to the date of this report.

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The financial statements of the company are required by law to give a true and fair view of the state of affairs of the company at the period end and of the profit or loss of the company for the period then ended. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements prepared by the company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information published on the internet. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (continued)

Auditors

In accordance with Article 113 (1) and (4) of the Companies (Jersey) Law 1991, Ernst & Young have been appointed as auditors to the Fund. Their engagement was formerly approved by the board of directors in their meeting of 16 August 2012.

Ernst & Young LLP have indicated their willingness to continue in office for the next year.

For and on behalf of the Board

Director

19 September 2012

STATEMENT ON CORPORATE GOVERNANCE

The Board recognises the importance of corporate governance in discharging its responsibilities, protecting and enhancing shareholders' value through promoting and practising high standards of corporate governance throughout the Group.

The following statements set out the Group's corporate governance practices:-

A. DIRECTORS

(i) The Board
The Group recognises the important role played by the Board in the stewardship of the Group's direction and operations, and ultimately, the enhancement of long-term shareholders' value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

(ii) Board Balance
The current Board has six (6) members comprising three (3) Directors of the Administrator, two (2) Directors of the Investment Adviser and one (1) Independent Non-Executive Director resulting in a Board comprised of professionals drawn from various backgrounds, which provides depth, diversity in experience, expertise and varying perspectives to the Group's business operations. The Board is satisfied that the current Board composition fairly reflects the interests of preference shareholders in the Group. The Board is constituted of individuals who are committed to business integrity and professionalism in all its activities. The Board supports the highest standards of corporate governance and the development of best practices for the Group. The names of the members of the Board are set out on page 6.

(iii) Supply of Information
The Directors have full and unrestricted access to all information within the Group and direct access to the advice and services of the Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. At each meeting of the Board, the Secretary appraises the Board on the Group's compliance obligations and highlights non-compliances with legal, regulatory and statutory rules and guidelines, if any.

The notices of meetings and board papers are distributed to the Directors prior to Board meetings to provide Directors with sufficient time to deliberate on issues to be raised at the Board meetings. All proceedings and resolution pass at all meetings are properly minuted and filed by Secretary.

The Directors are also regularly updated and advised on new regulations, guidelines or directive issued by the Jersey Financial Services Commission and other relevant regulatory authorities. The Board also avails itself of independent professional advice as and when necessary in furtherance of their duties, at the Company's expense. Additionally, the Board invites the senior management to brief the Board from time to time on matters being deliberated as they are able to help bring insight into these matters.

(iv) Appointments to the Board
The Board believes that the current composition of the Board comprises the required mix of skills and core competencies required for the Board to discharge its duties effectively. The Board maintains the responsibility of recommending the appointment of any new Directors. New appointees are considered and evaluated by the Board and the Company Secretary ensures that all appointments are properly made, and that legal and regulatory obligations are met.

(v) Meetings
The Board meets regularly on a quarterly basis and as and when required. There were eleven (11) meetings held during the financial period and the attendance record is as follows:

STATEMENT ON CORPORATE GOVERNANCE (continued)
(v) Meetings (continued)

Meetings attended

Director	Meetings Attended	Percentage of Meetings Attended
Mr. Anton Dominic Lane	10 of 11	91%
Mr. Jason James Purvor	10 of 11	91%
Mr. Andrew Christopher Mason	11 of 11	100%
Mr. Benjamin Raphael Nicholas Warner	11 of 11	100%
Mrs. Eleanor Ann Monaghan	5 of 11	45%

B. DIRECTORS' REMUNERATION

The remuneration of the Executive Directors was fixed in advance of the issuance of preference shares, so provided advance notice to the preference shareholders. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibility undertaken by the particular Director concerned.

The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director abstains from the Board decision on his own remuneration.

The details of the remuneration of the Directors of the Company for the financial period under review are as set out in note 15.

C. SHAREHOLDERS

(i) Dialogue between Companies and Investors
The Group recognises the importance of keeping shareholders informed of the Group's business and corporate developments. Such information is disseminated via the Group's annual reports, circulars to shareholders, half yearly financial results and various announcements made from time to time. Alternatively, they may obtain the Company's latest announcements via Bermuda Stock Exchange website at www.bsx.com

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting
The Board's responsibilities in respect of the financial statements are set out on page 6.

(ii) Internal Control
The Board has the overall responsibility for maintaining a system of internal controls, which provides reasonable assessments of effective and efficient operations, internal controls and compliance with laws and regulations.

(iii) Relationship with Auditors
The Board has established a transparent relationship with the external auditors. The external auditors in turn are able to highlight matters requiring the attention in terms of compliance with the accounting standards and other related regulatory requirements.

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGNITION BRAZIL FUND #3 LIMITED

We have audited the financial statements of Ignition Brazil Fund #3 Limited for the period ended 31 March 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Preference Shares, the Consolidated Statement of Cash Flows and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2012 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Christopher James Matthews FCA
for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date: 20 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period from incorporation on 27 January 2011 to 31 March 2012

	Notes	Consolidated Period ended 31 March 2012 GBP
Income		
Bank interest income		2,161
		2,161
Expenses		
Administration and accountancy fees		(135,796)
Preliminary expenses		(20,459)
Consultancy fees		(23,533)
Director fees		(16,274)
Application fees		(14,750)
Investment Advisor fees		(14,030)
Legal and professional fees		(13,390)
Audit fees		(7,000)
Insurance		(4,277)
Sundry expenses		(12,539)
Decrease in net assets from operations attributable to preference shareholders	4	(259,887)

The Fund has no other items comprising comprehensive income.

The notes on pages 15 to 25 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012

	Notes	Consolidated 31 March 2012 GBP	GBP
Current assets			
Prepayments	6	14,486	
Cash and cash equivalents		1,391,672	
Total assets			1,406,158
Liabilities payable after more than one year			
Preference shares	7	1,295,207	
Liabilities payable within one year			
Trade and other payables	8	110,949	
Total liabilities			1,406,156
Equity			
Ordinary share capital	9		2
Total liabilities and equity			1,406,158

The consolidated financial statements on pages 9 to 25 were approved and authorised for issue by the board of directors of Ignition Brazil Fund #3 Limited on 19 September 2012 and signed on its' behalf by;

Director

Director

The notes on pages 15 to 25 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2012

	Consolidated Period ended 31 March 2012 GBP
Transactions with owners	
Proceeds from ordinary shares issued	2
Comprehensive income	-
Balance at 31 March 2012	2

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PREFERENCE SHARES
For the period ended 31 March 2012

	Notes	Consolidated Period ended 31 March 2012 GBP
Proceeds from the issuance of preference shares	7	1,788,211
Decrease in net assets from operations attributable to preference shareholders		(259,887)
Costs in relation to the issuance of preference shares		(233,117)
Balance at 31 March 2012		1,295,207

The notes on pages 15 to 25 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2012

	Notes	Consolidated Period ended 31 March 2012 GBP	GBP
Net cash flows from operating activities	11		(165,585)
Cash flows from investing activities			
Interest received			2,161
Cash flows from financing activities			
Issue of preference shares	7	1,788,211	
Issuance of preference shares		(233,117)	
Issue of ordinary shares		2	
			1,555,096
Increase in cash			1,391,672

The notes on pages 14 to 25 form part of these financial statements

Notes to the Financial Statements
For the period ended 31 March 2012

1. THE COMPANY

Ignition Brazil Fund #3 Limited (the "Fund") a Jersey closed ended investment company with the registration number 107405, was incorporated on 27 January 2011, under the provisions of the Companies (Jersey) Law 1991, as a public company Limited by Shares. The Company obtained consent from the Jersey Financial Services Commission in relation to the issue of shares pursuant to the Control of Borrowing (Jersey) Order 1958 on 27 January 2011.The Fund is an unregulated exchange-traded fund established in accordance with Article 2(2) of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. The Fund is due to terminate on 7 October 2014, or such other later date as the Ordinary Shareholders may approve in general meeting of the Fund, subject to the terms of the Offering Document and the Articles of Association.

Investors participate as Preference Shareholders in the Fund via a subscription to either Class A and/or Class B Preference Shares. The Fund received approval for the listing of both Class A and Class B Preference Shares on the Bermudan Stock Exchange on 16 March 2012.

The principal activity of the Fund is to provide investors with an opportunity to invest into the Brazilian land market for the development of social housing and to benefit from the accessibility to this market by the pooling of funds. The Fund will seek to achieve a high rate of return for investors through capital appreciation on the land purchased for development purposes.

2. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered material in relation to Company's consolidated financial statements. No comparatives are shown as this is the first accounting period.

Going Concern
These consolidated financial statements have been prepared on a going concern basis.

Statement of Compliance
The consolidated financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement
The consolidated financial statements have been prepared under the historical cost convention.

Critical accounting estimates and judgments
The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following accounting policies.

2.1 Foreign currency translation

a) Functional and presentation currency

The board of directors have identified the Fund's functional currency as Sterling (GBP) as this most faithfully represents the economic effects of the underlying transactions. The presentation currency of the Fund's consolidated financial statements is also Sterling (GBP) as the Fund is domiciled in Jersey. All financial information presented in Sterling (GBP) has been rounded to the nearest pound.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

2.1 Foreign currency translation (continued)

b) Transactions and balances

For the Fund, foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

On consolidation, all assets and liabilities of the wholly owned subsidiary have been converted to the presentation currency at the foreign exchange rate prevailing at the period end. Income and expenses are translated at the average rate for the period. Any related foreign exchange gains or losses arising are recognised in the consolidated statement of comprehensive income as other comprehensive income.

2.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Fund has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Fund. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Inter-fund transactions, balances and unrealised gains on transactions between Fund companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

2.4 Expenses

All expenses are recognised in the consolidated statement of comprehensive income on an accruals basis.

2.5 Preference shares

It is not anticipated that there will be an active secondary market for the preference shares and it is not expected that such a market will develop. In addition, there are limitations on transfers of preference shares and no preference shares are redeemable. Preference shares are classified as financial liabilities due to the finite life of the Fund.

The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of preference shares with the total number of outstanding preference shares.

2.6 Standards Issued but not yet effective

The following standards have been issued but are not yet effective. The issuance of these new accounting standards is not expected to have a material effect on the Profit or Loss or the Financial Position of the group, however it is likely that in future periods, additional disclosure of certain aspects of the financial statements may be required.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

2.6 Standards Issued but not yet effective (continued)

- IAS 1 Financial Statement Presentation — Presentation of Items of Other Comprehensive Income
- IAS 19 Employee Benefits (Amendment)
- IAS 27 Separate Financial Statements (as revised in 2011)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Involvement with Other Entities
- IFRS 13 – Fair Value measurement

2.7 Trade Receivables and Prepayments

Trade receivables and prepayments are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

2.8 Ordinary Share Capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.9 Investment Property

The Fund intends to hold investment property comprising freehold land through its subsidiary. During the period no investment properties were acquired by the Fund.

Investment property is initially measured at cost, including related transaction costs. After initial recognition, freehold investment property is measured at fair value, with gains and losses recognised in the consolidated statement of comprehensive income. Future valuations will be carried out in accordance with guidance issued by the Royal Institution of Chartered Surveyors. Currently, engagement negotiations are being held with qualified valuers from CBRE, an independent firm of chartered surveyors.

During the period no amounts were recognised in the consolidated statement of comprehensive income in relation to rental income from the investment properties. Neither had any amounts relating to direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income, or direct operating expenses, including repairs and maintenance, arising from investment property that did not generate rental income. At 31 March 2012, there were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

3 FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability.

3.1 Financial associated risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents and trade and other payables. The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Price risk

The Fund is not currently exposed to market price risk as at the reporting date, it had yet to make an investment.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The Fund was not subject to currency risk at the reporting date. In future periods the Fund will be subject to currency risk from investing in land denominated in Brazilian Reals. This ongoing risk will be monitored by the Directors. In order to avoid excessive concentration of risk, the Fund has adopted a policy in which it attempts to fix the exchange rate on foreign currency transfers with its Investment Partner(s).

Cash flow and fair value interest rate risk

As the Fund has significant interest-bearing assets, its income and operating cash flows are substantially affected by changes in market interest rates.

A change of 0.5% in the floating rate received on cash held during the period would equate to an effect on profit of £6,957 and a change to the net asset value of 0.4945%.

Trade and other receivables and payables are interest-free and have settlement dates within one month. The tables below summarises the Fund's exposure to interest rate risk:

	Interest bearing (variable rate)	Non-interest bearing	Total
At 31 March 2012		GBP	GBP
Assets			
Trade receivables and prepayments	-	14,486	14,486
Cash and cash equivalents	1,391,672	-	1,391,672
Total assets	**1,391,672**	**14,486**	**1,406,158**
Liabilities			
Trade and other payables	-	110,949	110,949
Preference shares	-	1,295,207	1,295,207
Total liabilities	**-**	**1,406,156**	**1,406,156**

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

3.1 Financial associated risk factors (continued)

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund only enters into financial instruments with reputable counterparties. All of the Funds cash is held with the Royal Bank of Scotland International, which currently has the credit rating:

Credit Rating Agency	Short Term	Long Term
Standard & Poor's	A-2	A-
Moody's	P-2	Baa1
Fitch Group	F1	A

The Fund does not expect to incur material credit losses on its financial instruments.

The Fund's maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as of the reporting date, in relation to trade receivables and cash and cash equivalents, is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its obligations as they fall due.

The tables below summarise the maturity of the Fund's liabilities:

	Less than one month	On termination	Total
At 31 March 2012			
Liabilities			
Trade and other payables	110,949	-	110,949
Preference shares	-	1,295,207	1,295,207
Total liabilities	**110,949**	**1,295,207**	**1,406,156**

4. DECREASE IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO PREFERENCE SHAREHOLDERS IS STATED AFTER CHARGING:

	31 Mar 2012 GBP
Administration and accountancy fees	135,796
Preliminary expenses	20,459
Consultancy fees	23,533
Director fees	16,274
Application fees	14,750
Investment Advisor fees	14,030
Legal and professional fees	13,390
Audit fees	7,000
Insurance	4,277
Sundry expenses	12,539
	259,887

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

4. DECREASE IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO PREFERENCE SHAREHOLDERS IS STATED AFTER CHARGING (CONTINUED)

Administration Fees

In accordance with the Offering Memorandum and the Administration Agreement dated 8 April 2011, the Administrator is entitled to an Annual Administration Fee up to a maximum of £90,000 per annum, subject to a minimum annual fee of £47,500, which is payable quarterly in arrears. The fee shall be increased annually in accordance with the Jersey retail price index.

The Administrator was also entitled to an Administrator's Establishment Fee, being a one-off fixed payment of £10,000 which was payable by the Fund to the Administrator on the First Closing Date.

The Fund must also reimburse the Administrator for any out of pocket costs and expenses properly incurred by the Administrator in the discharge of its functions in connection with the Fund.

During the long period the Administrator, Europlan Fund Administrators Limited, charged the fund £135,796, which has been recognised as administration and accountancy fees in the consolidated statement of comprehensive income.

Investment Adviser Fees

In accordance with the Offering Memorandum and the Investment Advisory Agreement dated 8th April 2011, the Investment Adviser is entitled to an annual advisory fee of 2% per annum of the Net Asset Value of the Fund. This fee is calculated from the last closing date being 7 October 2011 using the latest available Net Asset Value of the Fund at the time of the calculation, and is payable quarterly in arrears. During the period fees of £14,030 were charged and the full amount was outstanding at the reporting date.

The Investment Adviser will be paid an additional fee on the winding up of the Fund which shall be equal to the balance of assets available in the Fund after deduction of (a) the Fund's liabilities; (b) the amounts paid up on Preference Shares and Ordinary Shares; and (c) the Preference Shareholder Entitlements. Currently, there is no expectation for there to be surplus amounts available for distribution after the preference share entitlement.

Marketing Fee

In accordance with the Offering Memorandum and the Promotion Agreement dated 8 April 2011, the Promoter was entitled to receive a fee equal to 8% of the aggregate initial investment amount raised in each subscription period in relation to preference shares issued by the Fund. During the period the Promoter earned a total of £143,057 from the Fund.

Listing Sponsor Fee

In accordance with the Offering Memorandum and the Listing Sponsor Services Agreement dated 23 February 2012, the listing sponsor was entitled to receive an initial fee of £6,744 payable at the time the listing application was submitted, as well as a minimum annual fee of £3,372 payable on the first business day of each calendar year.

Directors' fees

In accordance with the Offering Memorandum and the Administration Agreement dated 8 April 2011, the Administrator was entitled to receive an aggregate fee of £10,000 per annum for the directorship services provided by Andrew Mason, Ben Warner and Eleanor Monaghan who were originally engaged on the incorporation of the Fund on 27 January 2011. Anton Lane and Jason Purvor were also entitled to receive an aggregate fee of £5,000 for their services as directors of the Fund.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

4. DECREASE IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO PREFERENCE SHAREHOLDERS IS STATED AFTER CHARGING (CONTINUED)

Directors' fees (continued)

Future directors' fees shall be paid annually on each anniversary of the First Closing Date. The directors shall also be reimbursed by the Fund for any costs and expenses properly incurred in the discharge of their duties.

Application fees

In accordance with the Offering Memorandum and the Administration Agreement dated 8 April 2011, the Administrator was entitled to an Application Charge of £250.00 for each application for Preference Shares an investor submits to the Fund. This Application Charge was paid by the Fund to the Administrator on each applicable Closing Date. During the period the Administrator earned a total of £14,750 from the fund. These have been recognised as application fees in the consolidated statement of comprehensive income.

5. TAXATION

Profits arising in the Group for the 2012 period end of assessment are subject to Jersey Income Tax at the rate of 0%. Goods and Services Tax is payable in Jersey. The company is exempt from charge to this tax as it is registered as an International Services Entity (ISE). However, the company is required to pay an annual fee, currently at the rate of £200 per annum for inclusion on the register of ISEs, this is recognised in the consolidated statement of comprehensive income under sundry expenses.

6. PREPAYMENTS

	31 March 2012 GBP
Listing Sponsor fees	6,448
Bermuda Stock Exchange annual fees	3,715
Insurance	3,073
Responsibility fees	1,250
Total	14,486

7. PREFERENCE SHARES

	31 March 2012 GBP
Stated capital	
Arising on issue of preference shares	1,788,211
	1,788,211
Accumulated losses	
Decrease in net assets from operations attributable to preference shareholders	(259,887)
Costs in relation to the issuance of preference shares	(233,117)
Net assets attributable to the holders of preference shares	1,295,207

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

8. TRADE AND OTHER PAYABLES

	31 March 2012 GBP
Administration fees	41,966
Audit fees	7,000
Marketing fees	22,428
Investment Advisor fees	14,030
Consultancy fees	11,251
Legal fees	8,000
Directors fees	6,274
Total	110,949

9. SHAREHOLDERS' CAPITAL

The authorised share capital of the Fund is an unlimited number of no par value ordinary shares, and an unlimited number of no par value preference shares. Fractions of shares may be issued as required. Transactions in the called up share capital of the Fund in the period were as follows:

	31 March 2012 GBP
Ordinary shares of NPV each (£1 paid)	
Issued during the period	2
Balance carried forward	2
A Preference shares of NPV each	
Issued during the period	648,815.54
Balance carried forward	648,815.54
B Preference shares of NPV each	
Issued during the period	1,158,293
Balance carried forward	1,158,293

Ordinary shares

Holders of ordinary shares are entitled to an amount equal to the paid up value for each ordinary share held by them, but are not entitled to any dividends that may be declared. Holders of ordinary shares are entitled to receive notice of all general meetings of the Fund and to attend and vote there at. The holder of each ordinary share is entitled to one vote for each share of which he is a holder.

Preference shares

The Fund has issued preference shares at an offer price of £1 per preference share. The preference shares confer the right to a proportionate share in the assets of the Fund and to its dividend income, if any.

Class A Preference Shares were issued in the first and the second subscription periods. Each investor subscribing in these periods received 1.03 (one point zero three) shares for every £1.00 invested.

Class B Preference Shares were offered in the third, fourth, fifth and sixth subscription periods and each investor subscribing in these periods received one share for every £1.00 invested.

It is not anticipated that there will be any distributions of income or capital made to Shareholders during the life of the Fund.

On a winding up or other return of assets of the Fund, the assets of the Fund available for distribution to Shareholders shall be applied as follows:

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

9. SHAREHOLDERS' CAPITAL (continued)

Firstly, in the payment to all preference shareholders of the amount paid up on each preference share held by them.

Secondly, in the payment to ordinary shareholders of the amount paid up on each ordinary share held by them.

Thirdly, holders of Preference Shares are entitled to be paid an amount equal to the aggregate of a return of 15 pence per Preference Share per annum, calculated to the date that the Fund is placed in winding up.

Fourthly, any surplus assets after the payment of the additional fee payable to the Investment Advisor (as described in Note 4) of the Fund available for distribution will be paid to holders of Preference Shares on a pro rata basis.

10. INVESTMENT IN SUBSIDIARY

As at 31 March 2012 the Fund owned 100% of the issued share capital of its direct subsidiary company as outlined below.

Name of Company	**Nature of Business**	**Jurisdiction**
Ignition Brazil SPV #3 Limited	Holding / Financing company	Jersey

11. NET CASHFLOWS FROM OPERATING ACTIVITIES

	31 March 2012 GBP
Decrease in net assets from operations attributable to holders of preference shares	**(259,887)**
Bank interest	(2,161)
Increase in trade receivables and prepayments	(14,486)
Increase in trade and other payables	110,949
Total	**(165,585)**

12. SEGMENTAL REPORTING

For management purposes, the Fund is organised into one main operating segment, which will invest in Brazilian land related investments. All of the Fund's activities are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

13. CONTROLLING PARTY

Ignition Investments Limited holds all of the ordinary shares which have no interest in the assets of the Fund. Anton Lane, Jason Purvor and Philip Wye are shareholders in Ignition Investments Limited. The rights held by the preference shareholders do not include voting rights, therefore they do not have any controlling shares, as a result there is no controlling party.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

14. STATEMENT OF NET ASSET VALUE

For the purposes of the statutory financial statements, which are prepared in accordance with and comply with International Financial Reporting Standards, preliminary expenses have been expensed to the consolidated statement of comprehensive income when incurred. The Net Asset Value reconciliation has been prepared to outline the effect on the net asset value, if the preliminary expenses had been capitalised rather than expensed.

Net assets attributable to the holders of preference shares	**31 March 2012 GBP**
As per consolidated financial statements	1,406,158
Unamortised expenses capitalised as per the Offering Memorandum	110,519
Per valuation	1,516,677
Class A Preference shares in issue	648,815.54
Class B Preference shares in issue	1,158,293
Total Preference shares in issue	1,807,108.54

15. RELATED PARTY TRANSACTIONS

All of the directors of the Fund that held office during the period are also directors and/or shareholders of companies that are providing or have provided professional services to the Fund.

A.C. Mason and E.A. Monaghan are directors and B.R.N. Warner is a director and shareholder of Europlan Fund Administrators Limited. The Fund was charged £135,796 by Europlan Fund Administrators Limited for accountancy and administration services, £14,750 for services in relation to the processing of investor applications and £11,753 for directorship services which were provided to the Fund during the period. As at 31 March 2012, outstanding balances of £40,715 were owed to Europlan Fund Administrators by the Fund for accountancy and administration services and £1,753 had been paid to Europlan Fund Administrators by the Fund for future directorship services.

Anton Lane and Jason Purvor were also directors and shareholders of the Investment Advisor, Ignition Investments Limited, as well as directors of the Fund throughout the period ended 31 March 2012.

The Investment Advisor charged the Fund £143,057 for the provision of marketing services, which has been recognised in the consolidated statement of comprehensive income under costs relation to the issuance of preference shares, £14,030 for the provision of investment advisory services and £4,521 for the provision of directorship services during the period. As at 31 March 2012, total outstanding balances of £40,979 were owed to Ignition Investments Limited by the Fund, of which £22,428 related to marketing services, £14,030 related to investment advisory services and £4,521 related to directorship services.

Notes to the Financial Statements (continued)
For the period ended 31 March 2012

16. EVENTS AFTER THE REPORTING DATE

During the period between the end of the reporting period and the date of authorisation of these financial statements material events took place.

On 26 July 2012, Ronald Pilbeam was appointed as a Non Executive to the board of directors of the Fund.

On 6 August 2012 the directors of the Fund agreed in to invest sums amounting to £625,000 towards the purchase, construction, and development of investment properties as part of a joint venture with the proposed investment partner outlined on page 4.

The directors of the Fund agreed to advance sums to MDMY to provide working capital for the anticipated joint investment venture. Amounts of £15,944 and £30,964 were approved for remittance to MDMY Investment S/A on 31 July 2012 and 16 August 2012 respectively and paid shortly thereafter. In accordance with the promissory notes dated 1 August 2012 and 16 August 2012, amounts sent to MDMY Investment S/A in advance of the Funds formal entrance into the joint investment venture, will be offset against the total amount of £625,000 earmarked for investment in it.