

**ACCELERATED GLOBAL GROWTH BASKET LIMITED**

**Report and Financial Statements**

**For the year ended 30 September 2009**

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

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# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## REPORT AND FINANCIAL STATEMENTS GENERAL INFORMATION

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

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## REPORT OF THE DIRECTORS

For the year ended 30 September 2009

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The Directors present their report and the audited financial statements for the year ended 30 September 2009.

### 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.

There have recently been a number of changes to the regulatory regime for Guernsey funds. A number of provisions which were contained in the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 to 2003 ('COBO') (which governed closed-ended funds) have been consolidated into the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the 'POI Law') (which governed open-ended funds and licencees) so that the POI Law now governs both open-ended and closed-ended funds (as well as licencees).

Closed-ended funds are now Category 1 controlled investments under the POI Law. The changes have also codified in the POI Law a number of standard conditions and ongoing notification requirements imposed on the licencees of funds which were listed on the fund's COBO consent, but were not explicitly set out in COBO. It is intended that the changes will simplify Guernsey's investment fund regime by categorising all funds (whether open-ended or closed-ended) as either registered schemes or authorised schemes.

### Results and Dividends

The profit and loss statement is set out on page 7. The Directors do not propose a dividend for the period (2008: Nil).

### Directors

The Directors of the Company during the period are detailed below.

J Lewis (appointed 19 May 2008)

C Hicking (appointed 19 May 2008)

D Stephenson (appointed 4 March 2009)

R Banfield (resigned 31 December 2008)

B Garnham (appointed 31 December 2008, resigned 4 March 2009)

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 the United Kingdom accounting standards, subject to any material departure disclosed and explained in the financial statements; 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 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.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## REPORT OF THE DIRECTORS

For the year ended 30 September 2009

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### Statement of Disclosure to Auditor

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.

### 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

1 February 2010

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Accelerated Global Growth Basket Limited**

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We have audited the financial statements on pages 7 to 18. 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 page 4, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 opinion 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**

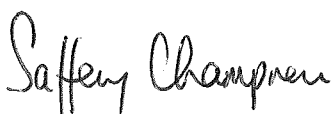
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 30 September 2009 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.



**SAFFERY CHAMPNESS**

2 February 2010

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2009

	Notes	2009 US\$	2008 US\$
<b>REVENUE</b>			
Interest income	3	6,716	24,949
<b>(LOSS)/GAIN ON INVESTMENTS</b>			
Investments at fair value through profit and loss	4	(917,438)	(3,723,009)
Held-to-maturity investments	5	794,335	665,144
		<u>(116,387)</u>	<u>(3,032,916)</u>
<b>OPERATING EXPENSES</b>	7	<u>(182,926)</u>	<u>(215,938)</u>
<b>LOSS FOR THE YEAR</b>		<u><u>(299,313)</u></u>	<u><u>(3,248,855)</u></u>
<b>Earnings per share</b>			
Basic - ordinary shares	8	(21.22)	(215.11)
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>			
<b>For the year ended 30 September 2009</b>		<b>2009 US\$</b>	<b>2008 US\$</b>
<b>LOSS FOR THE YEAR</b>		<b>(299,313)</b>	<b>(3,248,855)</b>
<b>GAIN ON INVESTMENTS</b>			
Available-for-sale investments	6	928,068	-
<b>TOTAL RECOGNISED GAINS/(LOSSES) FOR THE YEAR</b>		<u><u>628,755</u></u>	<u><u>(3,248,855)</u></u>

The notes on pages 11 to 18 are an integral part of these financial statements.


# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## BALANCE SHEET

As at 30 September 2009

	Notes	2009		2008	
		US\$	US\$	US\$	US\$
<b>FIXED ASSETS</b>					
Investments at fair value through profit and loss	4	356,487		1,314,090	
Held-to-maturity investments	5	-		12,716,808	
Available for sale investments	6	12,708,016		-	
			<b>13,064,503</b>		<b>14,030,898</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables	9	35,995		32,156	
Cash and cash equivalents	10	475,438		704,529	
		<b>511,433</b>		<b>736,685</b>	
<b>CREDITORS: amounts falling due within one year</b>					
Trade and other payables	11	66,568		73,244	
<b>NET CURRENT ASSETS</b>					
			<b>444,865</b>		<b>663,441</b>
			<b>13,509,368</b>		<b>14,694,339</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	12		143		161
Share premium	13		13,258,242		15,071,950
Revaluation reserve	14		928,068		-
Profit and loss account			(677,085)		(377,772)
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
			<b>13,509,368</b>		<b>14,694,339</b>
Number of fully paid ordinary shares			13,261		15,103
Net Asset Value per ordinary share			<b>1,018.73</b>		<b>1,188.12</b>

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



**Chris Hickling**  
**Director**  
**1 February 2010**

The notes on pages 11 to 18 are an integral part of these financial statements.



## ACCELERATED GLOBAL GROWTH BASKET LIMITED

### RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

For the year ended 30 September 2009

	Management	Ordinary				Total
	Shareholders	Shareholders				
	Share capital US\$	Share capital US\$	Share premium US\$	Profit and loss account US\$	Revaluation reserve US\$	Total US\$
At 1 October 2007	2	151	15,072,932	2,871,083	-	17,944,168
Subscriptions	8	-	-	-	-	8
Funds incorrectly allocated to share premium account	-	-	(982)	-	-	(982)
Net loss for the year	-	-	-	(3,248,855)	-	(3,248,855)
At 30 September 2008	10	151	15,071,950	(377,772)	-	14,694,339
Net loss for the year	-	-	-	(299,313)	-	(299,313)
Redemptions (see notes 12,13)	-	(18)	(1,813,708)	-	-	(1,813,726)
Revaluation of available for sale investments (see note 14)	-	-	-	-	928,068	928,068
At 30 September 2009	10	133	13,258,242	(677,085)	928,068	13,509,368

The notes on pages 11 to 18 are an integral part of these financial statements.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## CASH FLOW STATEMENT

For the year ended 30 September 2009

	Notes	2009 US\$	2008 US\$
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash flows from operating activities</b>			
Profit for the year as per profit and loss account		(299,313)	(3,248,855)
Less:			
Interest income	3	(6,716)	(24,949)
Adjustments for non-cash items:			
Loss on investments at fair value through profit and loss	4	917,438	3,723,009
Gain on held-to-maturity investments	5	(794,335)	(665,144)
Working capital adjustments:			
(Increase)/decrease in trade and other receivables		(3,839)	10,203
Decrease in trade and other payables		(6,676)	(26,401)
<b>Net cash outflow from operating activities</b>		<b>(193,441)</b>	<b>(232,137)</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash outflow from operating activities</b>		<b>(193,441)</b>	<b>(232,137)</b>
<b>Investing</b>			
Interest income	3	6,716	24,949
<b>Management of liquid reserves</b>			
Proceeds from disposal of investments through profit and loss	4	40,165	-
Proceeds from disposal of held-to-maturity investments	5	1,731,195	-
		<b>1,771,360</b>	<b>-</b>
<b>Financing</b>			
Management shares issued		-	8
Funds incorrectly allocated to share premium account		-	(982)
Payments for redemptions of shares	12,13	(1,813,726)	-
		<b>(1,813,726)</b>	<b>(974)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(229,091)</b>	<b>(208,162)</b>
Cash and equivalents at the beginning of the year		704,529	912,691
<b>Cash and cash equivalents at end of the year</b>	10	<b>475,438</b>	<b>704,529</b>

The notes on pages 11 to 18 are an integral part of these financial statements.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

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### 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 Accelerated Global Growth Basket Limited, with domicile in Guernsey, have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### **Foreign Exchange**

Foreign currency assets and liabilities are translated into United States Dollars at the rate of exchange ruling on the balance sheet date. Foreign currency transactions are translated into United States Dollars at the rate of exchange ruling on the date of the transaction. Foreign exchange gains and losses are included in the profit and loss account in the period in which they arise.

#### **Income**

Bank interest is accounted for on an accruals basis.

#### **Investments**

Under FRS 26, investments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them. Acquisition costs include transaction costs.

After initial recognition, the Company uses the following measurement bases 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 balance sheet date. Amortised cost is calculated using the effective interest method.

At the year end date the Board determined that the Company's held-to-maturity investments should be reclassified as available-for-sale. Accordingly these investments were accounted for on an amortised cost basis for the period up to the year end date, and on that date were reclassified and revalued on a fair value basis.

#### **Taxation**

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

#### **Going concern**

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

### 2. SIGNIFICANT AGREEMENTS

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

#### **Administration, Custodian and Secretarial**

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 0.15% of the Company's Funds per annum, payable annually in advance until the termination date. In addition the Administrator is entitled to receive interest earned by the Company on the unpaid element of the fees.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### 2. SIGNIFICANT AGREEMENTS (continued)

#### 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 0.6% per annum of the Company's funds payable in advance on the first Business Day of each year, until the Termination Date. 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 0.4% 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

	2009 US\$	2008 US\$
Bank interest receivable	<u>6,716</u>	<u>24,949</u>

### 4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2009 US\$	2008 US\$
<b>Royal Bank of Scotland European Call Option</b>		
Fair value brought forward	1,314,090	5,037,099
Disposals during the year	(40,165)	-
Losses on disposals during the year	(120,104)	-
Fair value adjustment for the year	(797,334)	(3,723,009)
Fair value carried forward	<u>356,487</u>	<u>1,314,090</u>

### 5. HELD-TO-MATURITY INVESTMENTS

	2009 US\$	2008 US\$
<b>Zero Coupon Bonds issued by Investec plc</b>		
Amortised cost brought forward	12,716,808	12,051,664
Disposals during the year	(1,731,195)	-
Gains on disposals during the year	143,843	-
Amortisation gain for the year	650,492	665,144
Reclassification to available-for-sale	(11,779,948)	-
Amortised cost carried forward	<u>-</u>	<u>12,716,808</u>

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### 6. AVAILABLE-FOR-SALE INVESTMENTS

	2009	2008
	US\$	US\$
<b>Zero Coupon Bonds issued by Investec plc</b>		
Reclassification from held-to-maturity	11,779,948	-
Fair value adjustment for the year	928,068	-
	<u>12,708,016</u>	<u>-</u>

### 7. OPERATING EXPENSES

Operating expenses include the following :	2009	2008
	US\$	US\$
Auditor's remuneration	8,993	7,049
Administration fees	22,855	21,540
Distribution fees	58,068	60,440
GFSC licence fees	4,907	3,623
Investment advisory fees	87,101	90,659
Interest paid	(8,998)	17,937
Listing fees	2,000	4,000
Statutory fees	2,042	4,173
Sponsorship fees	3,500	5,250
Professional indemnity insurance	1,978	-
Sundry	480	1,267
	<u>182,926</u>	<u>215,938</u>

### 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHARES

	2009	2008
	US\$	US\$
Earnings for purpose of basic earnings per share being loss for the year attributable to ordinary shareholders	(299,313)	(3,248,855)
Weighted average number of ordinary shares for purpose of basic earnings per share	14,103	15,103
Loss per share attributable to ordinary shares	<u>(21.22)</u>	<u>(215.11)</u>

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### 9. TRADE AND OTHER RECEIVABLES

	2009 US\$	2008 US\$
Accrued interest	307	1,458
Prepaid administration fees	4,655	4,020
Prepaid distributor fees	12,413	10,069
Prepaid investment advisory fees	18,620	15,103
Other prepayments	-	1,506
	<u>35,995</u>	<u>32,156</u>

### 10. CASH AND CASH EQUIVALENTS

	2009 US\$	2008 US\$
Balances at bank	<u>475,438</u>	<u>704,529</u>

### 11. TRADE AND OTHER PAYABLES

	2009 US\$	2008 US\$
Audit fees	9,589	7,268
Interest payable	56,979	65,976
	<u>66,568</u>	<u>73,244</u>

### 12. SHARE CAPITAL

	2009 US\$	2008 US\$
Authorised:		
10 Management shares of US\$1 each	10	10
999,000 Ordinary shares of US\$0.01 each	9,990	9,990
	<u>10,000</u>	<u>10,000</u>
	2009 US\$	2008 US\$
Issued and fully paid:		
10 Management shares of US\$1 each	10	10
13,261 Ordinary shares of US\$0.01 each (2008: 15,103)	133	151
	<u>143</u>	<u>161</u>

## ACCELERATED GLOBAL GROWTH BASKET LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

#### 12. SHARE CAPITAL (continued)

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, 5 years and 2 weeks after the closing date, 30 November 2005.

Management shares are entitled to 10,000 votes each at a general meeting of the Company.

1,000 Ordinary shares were redeemed on 20 January 2009 for a consideration of US\$993.53 per share.

312 Ordinary shares were redeemed on 26 March 2009 for a consideration of US\$965.42 per share.

453 Ordinary shares were redeemed on 10 June 2009 for a consideration of US\$979.00 per share.

77 Ordinary shares were redeemed on 28 August 2009 for a consideration of US\$980.50 per share.

#### 13. SHARE PREMIUM

	2009 US\$	2008 US\$
Balance brought forward	15,071,950	15,071,950
Ordinary shares redeemed during the year	(1,813,708)	-
Balance carried forward	<u>13,258,242</u>	<u>15,071,950</u>

#### 14. REVALUATION RESERVE

	2009 US\$	2008 US\$
Revaluation of available-for-sale investments during the year	928,068	-
Balance carried forward	<u>928,068</u>	<u>-</u>

#### 15. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

As at the Balance Sheet date the immediate controlling party was Investec Trust (Guernsey) Limited as trustee of The AGGBL Trust, and the ultimate controlling party was Investec Plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. On 10 November 2009 the Company's management shares were transferred to The Basket Trust, a trust administered by Praxis Fiduciaries Limited, which is the immediate controlling party at the date of signing of these financial statements. At that same date 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 Chris Hickling and Janine Lewis are Directors of the Company and the administrator, whilst David Stephenson is a Director of the Company and an employee of the administrator. During the year PPFSL received US\$22,855 (2008: US\$21,540) for their services as administrator. Administration fees of US\$4,655 were prepaid at the year end (2008: US\$4,020 outstanding).

As at the Balance Sheet date Investec Capital Markets Limited ('ICM'), the investment advisor to the Company, was deemed to be a related party as it was a subsidiary of Investec Limited, a company incorporated in South Africa and listed on the Johannesburg Stock Exchange. During the year ICM received US\$87,101 (2008: US\$90,659) for their services as advisor. Advisory fees of US\$18,620 were prepaid at the year end (2008: \$15,103). With effect from 10 November 2009 ICM ceased to be a related party.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### 16. FINANCIAL INSTRUMENT RISK FACTORS

The Company is exposed to market risk, credit risk and liquidity 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 US Dollars. The Company's management monitors exchange rate fluctuations on an ongoing basis.

The Company has no material currency exposures at 30 September 2009 or 30 September 2008.

##### (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 September 2009, the Company held cash on call account of US\$475,438 (2008: US\$39,599), which earns interest at floating rates. At the previous year end the Company also held US\$664,930 on a direct reserve account, which earned interest at 0.35% above base rate and was subject to a 30 day notice period.

The available-for-sale investments are exposed to fair value interest rate risk. However, whilst changes in market interest rates may give rise to short-term fluctuations in fair value, if the bonds are held to maturity their maturity value is fixed and therefore not subject to interest rate risk.

The Company has no other material interest rate exposures at 30 September 2009 or 30 September 2008.

##### (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 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, Royal Bank of Scotland International. Royal Bank of Scotland International has a Standard and Poor's long-term credit rating of AA- (2008: AA-).

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 BB+ (2008: BBB+).

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:

	2009 US\$	2008 US\$
European call option with Royal Bank of Scotland International	356,487	1,314,090
Investec plc Zero Coupon Bonds	12,708,016	-
	<u>13,064,503</u>	<u>1,314,090</u>



# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

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### 16. FINANCIAL INSTRUMENT RISK FACTORS (continued)

#### (i) Market risk (continued)

##### (c) Price risk (continued)

A 3 per cent increase/decrease in the value of the investments at fair value through profit and loss at 30 September 2009 would have increased/decreased the Net Asset Value of the Company by US\$10,695 (2008: US\$39,423).

A 3 per cent increase/decrease in the value of the available-for-sale investments at 30 September 2009 would have increased/decreased the Net Asset Value of the Company by US\$381,240 (2008: investments were classified as held-to-maturity).

#### (ii) Credit risk

Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

These financial assets include cash and cash equivalents, trade and other receivables, 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 BB+ (2008: BBB+). The investments at fair value through profit and loss are held with Royal Bank of Scotland International, which has a Standard and Poor's long-term rating of AA - (2008: AA-).

#### (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 investments. At 30 September 2009 the cash on call to be applied to short term obligations was US\$475,438 (2008: US\$39,599), which is considered by the Board as sufficient funds to meet all the Company's short term obligations.

# ACCELERATED GLOBAL GROWTH BASKET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### 16. 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 balance sheet 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.

	Less than 6 months US\$	6-12 months US\$	1 - 5 years US\$
<b>30 September 2009</b>			
Trade and other payables	66,568	-	-
Net exposure	<u>66,568</u>	<u>-</u>	<u>-</u>
	Less than 6 months US\$	6-12 months US\$	1 - 5 years US\$
<b>30 September 2008</b>			
Trade and other payables	73,244	-	-
Total exposure	<u>73,244</u>	<u>-</u>	<u>-</u>

#### (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 matches the maturity profiles of assets and liabilities. The Company has no external borrowings.