OPTIMAL INVESTMENT GROWTH BASKET LIMITED

Report and Financial Statements

For the year ended 30 September 2012

REPORT AND FINANCIAL STATEMENTS
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OPTIMAL INVESTMENT GROWTH BASKET LIMITED

REPORT AND FINANCIAL STATEMENTS
GENERAL INFORMATION

DIRECTORS:	C Hickling J Lewis D Stephenson
ADMINISTRATOR, SECRETARY AND REGISTRAR:	Praxis 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 Glategny Court Glategny Esplanade St Peter Port Guernsey GY1 3LP
COMPANY REGISTRATION NO:	42302

REPORT OF THE DIRECTORS
For the year ended 30 September 2012

The Directors present their report and the audited financial statements for the year ended 30 September 2012.

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 25 November 2014.

Results and Dividends

The profit and loss account is set out on page 7. The Directors do not propose a dividend for the year (2011: £ Nil).

Directors

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

C Hickling

J Lewis

D Stephenson

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

Statement of Directors' Responsibilities

The Directors are responsible for preparating a Directors' Report and the financial statements in acccordance with The Companies (Guernsey) Law, 2008 and applicable regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles ('UK GAAP').

Under The Companies (Guernsey) Law, 2008 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for the year.

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 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Statement of 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 UK GAAP and with The Companies (Guernsey) Law, 2008.

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

Janine Lewis
Director
19 December 2012

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

We have audited the financial statements of Optimal Investment Growth Basket Limited (the "Company") for the year ended 30 September 2012, which comprise the Profit and Loss account, Statement of Total Recognised Gains and Losses, Balance Sheet, Reconciliation of Movements in Shareholders' Funds, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Principles).

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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, 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 United Kingdom 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 Company'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 Report of the Directors 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 the financial statements

In our opinion the financial statements:

- give a true and fair view;
- are in accordance with Generally Accepted Accounting Principles; and
- comply with The Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
GUERNSEY
19 December 2012

OPTIMAL INVESTMENT GROWTH BASKET LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2012

	Notes	**Year ended 30/09/2012 £**	Year ended 30/09/2011 £
REVENUE			
Interest income	3	**2,642**	3,512
GAIN/(LOSS) ON INVESTMENTS			
Investments at fair value through profit and loss	4	**430,546**	(1,517,543)
Available-for-sale investments - realised	5	**128,554**	-
		561,742	(1,514,031)
OPERATING EXPENSES	6	**(334,784)**	(333,819)
GAIN/(LOSS) FOR THE YEAR		**226,958**	(1,847,850)
Earnings/(loss) per ordinary share			
Basic and diluted earnings/(loss) per ordinary share	7	**£ 13.95**	£(113.31)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 September 2012

	Notes	**2012 £**	2011 £
GAIN/(LOSS) FOR THE YEAR		**226,958**	(1,847,850)
GAIN ON INVESTMENTS			
Available-for-sale investments - unrealised	5	**1,234,084**	947,414
Recycling of prior year revaluation gains	5	**(95,582)**	-
TOTAL RECOGNISED GAINS/(LOSSES) FOR THE YEAR		**1,365,460**	(900,436)

All gains and losses are derived from continuing operations.

There are no recognised gains or losses other than those reported above.

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

OPTIMAL INVESTMENT GROWTH BASKET LIMITED

BALANCE SHEET
as at 30 September 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Investment at fair value through profit and loss	4	**3,071,606**		2,752,341	
Available-for-sale investments	5	**19,476,347**		18,817,747	
			22,547,953		21,570,088
CURRENT ASSETS					
Debtors and prepayments	8	**43,344**		44,667	
Cash at bank		**669,986**		1,012,043	
		713,330		1,056,710	
CREDITORS: amounts falling due within one year					
Creditors and accruals	9	**6,000**		6,000	
NET CURRENT ASSETS			**707,330**		1,050,710
CREDITORS: amounts falling due after one year					
Creditors and accruals			**(6,327)**		-
			23,248,956		22,620,798
CAPITAL AND RESERVES					
Share capital	10		**168**		173
Share premium	11		**17,626,917**		18,364,214
Profit and loss account			**1,357,950**		1,130,992
Revaluation reserve	12		**4,263,921**		3,125,419
EQUITY SHAREHOLDERS' FUNDS			**23,248,956**		22,620,798
Number of fully paid ordinary shares			**15,808.729**		16,307.445
Net Asset Value per ordinary share			**£ 1,470.64**		£ 1,387.15

The financial statements were approved and authorised for issue by the Board on 19 December 2012 and signed on its behalf by:

Janine Lewis
Director

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

OPTIMAL INVESTMENT GROWTH BASKET LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 30 September 2012

	Management Shareholders	Ordinary Shareholders				Total
	Share Capital £	**Share Capital £**	**Share Premium £**	**Profit and Loss Account £**	**Revaluation Reserve £**	**Total £**
At 30 September 2010	10	163	18,364,214	2,978,842	2,178,005	23,521,234
Net loss for the year	-	-	-	(1,847,850)	-	(1,847,850)
Revaluation of available for sale investments (see note 12)	-	-	-	-	947,414	947,414
At 30 September 2011	10	163	18,364,214	1,130,992	3,125,419	22,620,798
Redemption of shares (see notes 10, 11)	-	(5)	(737,297)	-	-	(737,302)
Net profit for the year	-	-	-	226,958	-	226,958
Recycling of prior year revaluation gains on investments disposed of during the year	-	-	-	-	(95,582)	(95,582)
Revaluation of available for sale investments (see note 12)	-	-	-	-	1,234,084	1,234,084
At 30 September 2012	**10**	**158**	**17,626,917**	**1,357,950**	**4,263,921**	**23,248,956**

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

OPTIMAL INVESTMENT GROWTH BASKET LIMITED

CASH FLOW STATEMENT
For the year ended 30 September 2012

	Notes	**Year ended 30/09/2012 £**	Year ended 30/09/2011 £
RECONCILIATION OF OPERATING GAIN/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
Cash flows from operating activities			
Operating gain/(loss) for the year		**226,958**	(1,847,850)
Less:			
Interest income	3	**(2,642)**	(3,512)
Adjustments for non-cash items:			
(Gain)/loss on investments at fair value through profit and loss	4	**(430,546)**	1,517,543
Gains on available-for-sale investments	5	**(128,554)**	-
Working capital adjustments:			
Decrease in debtors and prepayments		**1,324**	215
Increase in creditors and accruals		**6,327**	-
Net cash outflow from operating activities		**(327,133)**	(333,604)

CASH FLOW STATEMENT

	Notes	**Year ended 30/09/2012 £**	Year ended 30/09/2011 £
Net cash outflow from operating activities		**(327,133)**	(333,604)
Returns on investments and servicing of finance			
Interest income		**2,642**	3,512
Capital expenditure and financial investment			
Disposals of investments held at fair value through profit or loss	4	**111,281**	-
Disposals of available-for-sale investments	5	**608,456**	-
		719,737	-
Financing			
Redemptions of ordinary share capital		**(737,302)**	-
Decrease in cash for the year		**(342,056)**	(330,092)
Cash at the beginning of the year		**1,012,043**	1,342,135
Cash at the end of the year	9	**669,986**	1,012,043

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

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 Optimal Investment Growth Basket Limited, with domicile in Guernsey, have been prepared in accordance with UK Generally Accepted Accounting Principles.

Going concern

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

Foreign exchange

Foreign currency assets and liabilities are translated into Sterling at the rate of exchange ruling on the period 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 included in the profit and loss statement in the period in which they arise.

Income

Bank interest is credited on an accruals basis.

Investments

The Company's option investments are designated as investments at fair value through profit or loss.

The Company's bond investments are classified as available-for-sale 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 profit and loss account. Investments are derecognised when the rights to receive cash flows from the investments have expired and the Company has transferred substantially all risks and rewards of ownership.

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

i) Held-for-trading investments and those so designated at inception: Fair value through profit and loss;

ii) 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. Gains arising on the disposal of investments are recognised in the profit and loss account, as are unrealised gains on investment at fair value through profit and loss. Unrealised gains on available-for-sale investments are recognised in the statement of total recognised gains and losses. 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 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 £25,000 per annum, payable annually in advance 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 0.6% 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 0.7% 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

	2012	2011
	£	£
Bank interest received	**2,642**	3,512

4. INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

	2012	2011
	£	£
Deutsche Bank AG Index Basket Call Option		
Fair value brought forward	**2,752,341**	4,269,884
Disposals during the year	**(111,281)**	-
Gains/(losses) on disposals and fair value adjustment for the year	**430,546**	(1,517,543)
Fair value carried forward	**3,071,606**	2,752,341

5. AVAILABLE-FOR-SALE INVESTMENTS

	2012	2011
	£	£
Investec plc Zero Coupon Bond		
Fair value brought forward	**18,817,747**	17,870,333
Disposals during the year	**(608,456)**	-
Gains on disposals during the year	**128,554**	-
Recycling of prior year revaluation gains	**(95,582)**	-
Fair value adjustment for the year	**1,234,084**	947,414
Fair value carried forward	**19,476,347**	18,817,747

6. OPERATING EXPENSES

	2012	2011
	£	£
Administration fees	**25,000**	25,000
Auditor's remuneration	**6,000**	6,000
Distribution fees	**153,451**	154,868
GFSC Licence fees	**3,100**	3,075
Investment advisory fees	**132,536**	133,410
Listing fees	**2,874**	1,606
Sponsorship fees	**2,252**	6,607
Statutory fees	**1,100**	949
Interest payable	**6,327**	41
Sundry expenses	**2,144**	2,263
	334,784	333,819

7. EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of basic and diluted earnings/loss per share is based on the following data:

	2012	2011
Earnings/(loss) attributable to ordinary shares:	£	£
Earnings/(loss) for purpose of basic and diluted earnings/(loss) per share being profit/(loss) for the year attributable to ordinary shareholders	**226,958**	(1,847,850)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**16,271**	16,307
Earnings/(loss) per ordinary share	**13.95**	(113.31)

A weighted average number of shares has been calculated to enable users to gain a fairer understanding of the earnings generated per share through the year. The weighted average has been calculated with reference to the number of days shares have actually been in issue and hence their ability to influence income generated.

8. DEBTORS AND PREPAYMENTS

	2012	2011
	£	£
Bank interest receivable	**656**	822
Prepaid administration fees	**3,288**	3,288
Prepaid distributor fees	**20,189**	20,119
Prepaid investment advisory fees	**17,429**	17,429
Other prepayments	**1,782**	3,009
	43,344	44,667

9. CREDITORS AND ACCRUALS

	2012	2011
	£	£
Due within one year		
Audit fees	**6,000**	6,000
Due after more than one year		
Interest payable	**6,327**	-

10. SHARE CAPITAL

	2012	2011
	£	£
Authorised:		
10 management shares of £1 each	**10**	10
999,000 ordinary shares of £0.01 per share	**9,990**	9,990
	10,000	10,000

	2012	2011
	£	£
Issued and fully paid:		
10 management shares of £1 each (2011: 10 shares)	**10**	10
15,809 ordinary shares of £0.01 each (2011: 16,307 shares)	**158**	163
	168	173

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, 25 November 2014, five years after the closing date.

During the year 498.714 ordinary shares were redeemed at a price of £1,478,41 per share.

11. SHARE PREMIUM

	2012	2011
	£	£
Balance brought forward	**18,364,214**	18,364,214
Ordinary shares redeemed	**(737,297)**	-
Balance carried forward	**17,626,917**	18,364,214

12. REVALUATION RESERVE

	2012	2011
	£	£
Balance brought forward	**3,125,419**	2,178,005
Revaluation of available-for-sale investments in the period (see note 5)	**1,234,084**	947,414
Recycling of prior year revaluation gains	**(95,582)**	-
Balance carried forward	**4,263,921**	3,125,419

13. ULTIMATE CONTROLLING PARTY & RELATED PARTY TRANSACTIONS

The company's immediate controlling party is Praxis Fiduciaries Limited, as trustees of The Basket Trust, and the ultimate controlling party is Praxis Holdings Limited, a company incorporated in Guernsey.

Praxis Fund Services Limited ('PFSL') (the administrator of the Company with effect from 1 May 2011) is deemed to be a related party, as Janine Lewis and Chris Hickling are Directors of the Company and of PFSL and David Stephenson is a Director of the Company and an employee of PFSL. During the prior year International Fund Management Limited ('IFML') (formerly Praxis Property Fund Services Limited, the administrator of the Company until 30 April 2011) was deemed to be a related party as Janine Lewis and Chris Hickling are Directors of the Company and of IFML and David Stephenson is a Director of the Company and was an employee of IFML until 30 April 2011. During the year PFSL received £25,000 (2011: £14,452) for their services as administrator, whilst IFML received £Nil (2011: £10,548) for their services as administrator. At the year end date administration fees of £3,288 had been paid to PFSL in advance (2011: £3,288).

14. 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 Sterling. The Company's management monitors exchange rate fluctuations on an ongoing basis.

The Company had no material currency exposures as at 30 September 2012 or 30 September 2011.

(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 2012, the Company had cash on a call account of £669,987 (2011: £1,012,043). This cash earns interest at floating rates.

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 had no other interest rate exposures as at either 30 September 2012 or 30 September 2011.

(c) Price risk

Price risk is the risk that the value of a financial 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 an index basket call option on a basket of indices, with an international bank, Deutsche Bank AG. The bank has a Fitch long-term credit rating of A+ (2011: AA-).

Price risk is managed by investing in a zero coupon bond, with an international bank, Investec Bank plc. The bank has a long-term Fitch credit rating of BBB- (2011: BBB).

14. FINANCIAL INSTRUMENT RISK FACTORS (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:

	2012	2011
	£	£
Deutsche Bank AG index basket call option	**3,071,606**	2,752,341
Investec Bank plc zero coupon bond	**19,476,347**	18,817,747
	22,547,953	21,570,088

A 3 per cent increase/decrease in the value of the investments at fair value through profit and loss at 30 September 2012 would have increased/decreased the Net Asset Value of the Company by £92,148 (2011: £82,570).

A 3 per cent increase/decrease in the value of the available-for-sale investments at 30 September 2012 would have increased/decreased the Net Asset Value of the Company by £584,290 (2011: £564,532).

(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 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 Company aims to manage credit risk by holding its securities and cash assets with reputable banking institutions with an investment grade long-term credit rating, ie a Fitch rating in the range AAA+ to BBB-. In the event of any downgrading in the long-term credit rating of any issuer below this level, the Company in its absolute discretion would consider the following courses of action: selling the relevant securities to third party purchasers and reinvesting the proceeds in the purchase of securities of another issuer, such that the new securities would replicate as closely as possible the terms and conditions of the original securities; and transferring cash to another banking institution. The Directors would only seek to sell the relevant securities or transfer cash if they consider on the advice of the investment advisor that such would be in the best interests of the Company and its

The Company monitors the creditworthiness of its counterparties on an ongoing basis.

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

The available-for-sale investments are held with Investec Bank plc, which has a Fitch long term rating of BBB- (2011: BBB). The investments at fair value through profit and loss are held with Deutsche Bank AG, which has a Fitch long-term rating of A+ (2011: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 resources of the Company every quarter and ensures that sufficient monies are held on call account to meet its short term obligations. At 30 September 2012 the cash on call was £669,987 which is considered by the Board to be sufficient to meet all the Company's short term obligations.

14. 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 period 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 September 2012	**Less than 6 months** £	**6-12 months** £	**1-5 years** £
Creditors and accruals	**6,000**	-	**6,327**
Net exposure	**6,000**	-	**6,327**

30 September 2011	Less than 6 months £	6-12 months £	1-5 years £
Creditors and accruals	6,000	-	-
Total exposure	6,000	-	-

(iv) Fair value hierarchy

The table below analyses instruments carried at fair value, by level of the fair value hierarchy. 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).

30 September 2012	**Level 1** £	**Level 2** £	**Level 3** £	**Total** £
Investments at fair value through profit and loss	**-**	**3,071,606**	**-**	**3,071,606**
Available-for-sale investments	**-**	**19,476,347**	**-**	**19,476,347**
	-	**22,547,953**	**-**	**22,547,953**

30 September 2011	Level 1 £	Level 2 £	Level 3 £	Total £
Investments at fair value through profit and loss	-	2,752,341	-	2,752,341
Available-for-sale investments	-	18,817,747	-	18,817,747
	-	21,570,088	-	21,570,088

14. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(v) Capital risk management

The Company's capital comprises the funds it has raised through the issue of share capital.

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 of capital.

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

15. POST BALANCE SHEET EVENTS

Since the year end 57.673 shares have been redeemed at a price of £1,466.65 per share.

There were no other significant post year end events that require disclosure in these financial statements.