

SPG PUBLIC INVESTMENTS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2009

SPG PUBLIC INVESTMENTS LIMITED

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For the year ended 31 December 2009

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SPG PUBLIC INVESTMENTS LIMITED

MANAGEMENT AND ADMINISTRATION

Directors:

David Copperwaite
Richard Stapley
Ernst A. Brugger

Registered Office:

Trafalgar Court,
Les Banques,
St. Peter Port,
Guernsey
GY1 3QL

Secretary, Registrar and Administrator:

Northern Trust International Fund Administration
Services (Guernsey) Limited,
PO Box 255,
Trafalgar Court,
Les Banques,
St. Peter Port, Guernsey,
GY1 3QL

Manager & Investment Adviser:

SAM Sustainable Asset Management AG,
Seefeldstrasse 215,
8008 Zurich,
Switzerland

Independent Auditors:

PricewaterhouseCoopers CI LLP,
National Westminster House,
Le Truchot,
St Peter Port,
Guernsey

Global Custodian:

Credit Suisse Asset Management,
Paradeplatz 8,
8001 Zurich,
Switzerland

SPG PUBLIC INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2009

The Directors present their Annual Report and the Audited Financial Statements of SPG Public Investments Limited (the "Company") for the year ended 31 December 2009.

Registration

The Company was incorporated and registered under the laws of Guernsey on 13 October, 2006 and is domiciled in Guernsey.

Principal Activity

The principal activity of the Company is to carry on the business of an investment holding company and to invest the capital and other monies of the Company in the purchase of, or upon the security, of shares, stocks, debentures, bonds, mortgages, obligations and securities of any kind issued by any company, corporation or undertaking of whatever nature or issued or guaranteed by any government, sovereign, ruler, authority or other body of whatever nature.

On 9 May 2008, the Company issued a convertible bond listed on the SIX Swiss Exchange. The gross proceeds to the Company amounted to CHF 50 million before commission and transaction costs.

Results and Dividend

The results for the year are set out in the Statement of Comprehensive Income on page 8. Details of dividends declared and approved are disclosed in note 6 of the Financial Statements.

Directors

The Directors of the Company during the year are as set out on page 2.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Financial Statements for each financial year which gives a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Statement

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SPG PUBLIC INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31 December 2009

The maintenance of the SPG AG website, on which these financial statements are made available is the responsibility of the Directors of SPG AG. The work carried out by the auditors of SPG Public Investments Limited does not involve consideration of the website and accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in Guernsey governing the presentation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Directors' Interests

There are no existing or proposed service contracts between any of the Directors and the Company. The Directors were appointed by the initial shareholders in accordance with the Articles of Incorporation. As at 31 December, 2009, no Directors held any shares of the Company.

Independent Auditors

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office. Accordingly, a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



David Copperwaite



Richard Stapley

28 April 2010

SPG PUBLIC INVESTMENTS LIMITED

INVESTMENT PORTFOLIO

As at 31 December 2009

Listed investment securities	Holding	Fair Value CHF	% of Net Asset Value
American Water Works	240,000	5,549,997	3.89
Atrium Innovations	300,000	4,659,197	3.27
Avon Products	80,000	2,605,050	1.83
Canadian Solar	110,000	3,277,194	2.30
Celestial Nutrifoods*	10,000,000	1,251,736	0.88
CEMIG	150,000	2,795,777	1.96
Centrotec Sustainable	209,800	2,881,431	2.02
Chaoda Modern Agriculture	4,285,000	4,752,926	3.33
China Green	3,501,000	3,402,566	2.38
Covanta	130,000	2,425,694	1.70
Crown	90,000	2,378,969	1.67
Danaher	24,000	1,865,464	1.31
Danisco	75,000	5,209,861	3.65
Deckers Outdoor	35,000	3,680,357	2.58
Ecolab	71,000	3,272,005	2.29
ENER1	250,000	1,635,909	1.15
Gamesa	145,000	2,531,257	1.77
Geberit	16,000	2,936,000	2.06
Hanfeng Evergreen	300,000	2,174,292	1.52
Hera Spa	700,000	1,675,689	1.17
Iberdrola Renovables	1,000,000	4,916,718	3.45
ITC Holdings	90,000	4,842,602	3.39
JA Solar	800,000	4,705,630	3.30
Kellogg	48,000	2,639,288	1.85
KSB	6,000	3,550,716	2.49
Kurita Water Industries	100,000	3,220,232	2.26
Landi Renzo	550,000	2,765,376	1.94
Life Time Fitness	75,000	1,932,854	1.35
Linde AG	20,000	2,490,544	1.75
Mylan	100,000	1,905,201	1.34
Noble	117,000	4,922,614	3.45
Novo Nordisk	54,000	3,570,810	2.50
Novozymes	33,600	3,616,555	2.53
Pall	119,500	4,470,664	3.13
Quanta Services	180,000	3,877,803	2.72
Renewable energy	460,000	3,682,833	2.58
SGL Carbon	90,000	2,771,160	1.94
Shanks	1,400,000	3,120,017	2.19
Sonova	17,000	2,131,800	1.49
SPG AG#	59,566	13,336,827	9.35
Stantec	124,300	3,701,581	2.59
Suez Environnement	180,000	4,303,574	3.02
SunOpta	744,000	2,576,519	1.81
Thermo Fisher Scientific	75,000	3,693,589	2.59
United Natural Foods	70,000	1,934,973	1.36
Veolia Environnement	65,000	2,228,912	1.56
Vossloh	33,000	3,385,016	2.37
Wacker Chemie	16,500	2,966,294	2.08
Waste Management	97,000	3,390,256	2.38
Wavin	1,100,000	2,855,108	2.00

SPG PUBLIC INVESTMENTS LIMITED

INVESTMENT PORTFOLIO

As at 31 December 2009

Listed investment securities	Holding	Fair Value CHF	% of Net Asset Value
Yingli Green Energy	375,000	6,128,845	4.30
Zumtobel	80,000	1,625,558	1.14
Total Investments		<u>178,221,840</u>	<u>124.93</u>
Cash at bank and other net liabilities		<u>(35,563,933)</u>	<u>(24.93)</u>
Total Net Assets	CHF	<u><u>142,657,907</u></u>	<u><u>100.00</u></u>

*See disclosures in note 18 detailing the valuation basis for Celestial Nutrifooods.

#As of 31 December 2009, 3,285 shares of SPG AG (2008: Nil) were lent to third parties.

SPG PUBLIC INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPG PUBLIC INVESTMENTS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of SPG Public Investments Limited which comprise the Statement of Financial Position as of 31 December 2009 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

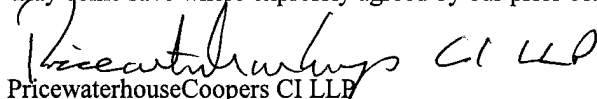
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information includes Management and Administration, the Report of the Directors and the Investment Portfolio.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers CI LLP

Chartered Accountants
Guernsey, Channel Islands

29 April 2010

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Income			
Dividend income	5	2,101,407	2,404,789
Bank interest income	5	12,445	109,065
Interest income on intercompany loans	5	640,887	484,322
Securities lending income	5	369	393,792
Net gains/(losses) on financial assets at fair value through profit or loss	1&3	40,944,116	(165,622,757)
Net (losses)/gains on financial liabilities at fair value through profit or loss	1&3	(8,000,000)	9,000,000
Foreign exchange gains	1&4	727,461	-
Total income/(deficit)		36,426,685	(153,230,789)
Expenses			
Management fee	15	1,556,166	2,147,228
Transaction charges		391,199	481,151
Administration fee	16	140,888	138,009
Custodian fee		65,987	91,508
Loan interest		-	312,909
Audit fee		35,446	31,240
Directors fees		40,287	18,805
General expenses		(10,416)	123,479
Foreign exchange losses	1&4	-	1,872,162
Coupon on convertible bonds		1,000,000	616,022
Arrangement fee		-	1,162,024
Total operating expenses		3,219,557	6,994,537
Net profit/(loss) from operations		33,207,128	(160,225,326)
Withholding taxes	7	(519,646)	(407,217)
Total comprehensive income/(deficit) for the year after tax		CHF 32,687,482	(160,632,543)
Earnings/(loss) per Ordinary Share - Basic and diluted	2	CHF 8,172	(51,934)

The Company does not have any components of other comprehensive income. Therefore, comprehensive income is equal to net profit/(loss) reported for all periods presented.

All the items in the above statement derive from continuing operations.

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

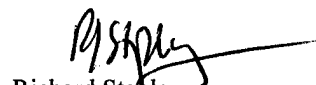
STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

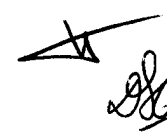
	Notes	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	8	178,221,840	137,504,942
Loan to SPG Private	15	11,385,542	9,312,477
Receivables	9	1,209,973	644,800
Cash and cash equivalents	1	1,923,044	6,675,175
		<u>192,740,399</u>	<u>154,137,394</u>
Total assets		<u>192,740,399</u>	<u>154,137,394</u>
EQUITY			
Share Capital	13	9,086	9,086
Distributable reserves	14	244,867,322	246,867,322
Revenue Reserves	14	(102,218,501)	(134,905,983)
		<u>142,657,907</u>	<u>111,970,425</u>
LIABILITIES			
Non-current liabilities			
Financial liabilities at fair value through profit or loss	12	49,000,000	41,000,000
Current liabilities			
Payables	11	1,082,492	1,166,969
Total liabilities		<u>50,082,492</u>	<u>42,166,969</u>
Total Equity and Liabilities		<u>CHF 192,740,399</u>	<u>154,137,394</u>

The Financial Statements on pages 8 to 27 were approved by the Board of Directors on 28 April 2010 and signed on its behalf by:


David Copperwaite
Director


Richard Stapley
Director

The notes on pages 12 to 27 form part of these Financial Statements.



SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Notes	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Net assets attributable to holders of ordinary shares at the start of the year		111,970,425	265,655,154
Movement due to issue of ordinary shares	13	-	10,947,814
Net increase from share transactions		-	10,947,814
Increase/(decrease) in net assets attributable to holders of ordinary shares	14	32,687,482	(160,632,543)
Distributions to holders of ordinary shares	6	(2,000,000)	(4,000,000)
Increase/(decrease) in net assets attributable to holders of ordinary shares from operations (after distributions)		30,687,482	(164,632,543)
Net assets attributable to holders of ordinary shares at the end of the year		142,657,907	111,970,425

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2009

	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Cash flows from operating activities		
Interest income	12,445	109,065
Interest expense	-	(312,909)
Dividend income	2,101,407	2,404,789
Withholding tax	(519,646)	(407,217)
Other operating income	641,256	878,114
Operating expenses	(2,219,557)	(4,193,444)
Foreign exchange gains/(losses)	727,461	(1,872,162)
Increase in receivables and payables	(649,650)	(2,485,272)
Premium from issue of options	415,810	-
Proceeds from sale of securities	110,119,503	100,444,676
Purchase of securities	(110,308,095)	(139,122,703)
Loan to SPG Private	(2,073,065)	(4,325,487)
Net cash outflow from operating activities	<u>(1,752,131)</u>	<u>(48,882,550)</u>
Cash flow from financing activities		
Issue of shares	-	1,864
Share premium	-	10,945,950
Loan from SPG AG	-	(5,889,000)
Dividend paid	(2,000,000)	(4,000,000)
Issue of convertible bond	-	50,000,000
Interest expense on convertible bond	(1,000,000)	(616,022)
Net cash (outflow)/inflow from financing activities	<u>(3,000,000)</u>	<u>50,442,792</u>
 (Decrease)/increase in cash and cash equivalents	 (4,752,131)	 1,560,242
Cash and cash equivalents at start of the year	 6,675,175	 5,114,933
Cash and cash equivalents at end of the year	<u><u>1,923,044</u></u>	<u><u>6,675,175</u></u>

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

GENERAL INFORMATION

SPG Public Investments Limited (the 'Company') is domiciled and incorporated under the laws of Guernsey. The address of its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey.

The Company's investment activities are managed by SAM Sustainable Asset Management AG (the 'Investment Manager and Adviser') with the administration delegated to Northern Trust International Fund Administration Services (Guernsey) Limited.

These financial statements were authorised for issue by the Board of Directors on 28 April 2010.

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently with items which are considered to be material in relation to the Company's Financial Statements.

Basis of Preparation

The Financial Statements of SPG Public Investments Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

The Financial Statements have been prepared on a historical cost basis except for the measurement of financial assets and financial liabilities at fair value through profit or loss.

The accounting policies adopted are consistent with those of the previous financial year except as detailed below:

- IAS 1 (revised 2007) is effective for annual periods beginning on or after 1 January 2009. The revised standard has introduced a number of terminology changes including revised titles for the financial statements. However, the revised standard has had no impact on the reported results or financial position of the Company.
- The Company has also adopted the following amendment: IFRS 7: Financial Instruments - Disclosures. The amendments to IFRS 7 were issued by the IASB in March 2009 and became effective for annual periods beginning on or after 1 January 2009. The Company has adopted these amendments with effect from 1 January 2009. The amendment to IFRS 7 requires enhanced disclosures about fair value measurements to be disclosed by the source of inputs, using a three-level hierarchy.

The amendments also revise the specified minimum liquidity risk disclosures including the contractual maturity of non-derivative and derivative financial liabilities, and a description of how this is managed.

- IFRS 8 Operating Segments requires disclosure of information about the Company's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Company. For management purposes, the Company is organised into a single segment, i.e. it invests in companies distinguished by their potential for sustainable value enhancement. The Company determined that this operating segment was the same as the business segment previously identified under IAS 14 Segment Reporting.

Other standards, amendments and interpretations effective during the year but not relevant are not shown in these Financial Statements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Company.

- IAS 23 (amendment), 'Borrowing costs'
- IAS 39 and IFRIC 9 (amendments), 'Embedded derivatives' (effective for all periods ending on or after 30 June 2009);
- IAS 39 and IFRS 7 (amendments), 'Reclassification of financial assets'
- IFRS 1 (amendment), 'First-time adoption of IFRS', and IAS 27, 'Consolidated and separate financial statements';
- IFRS 2 (amendment), 'Share-based payment' and
- IFRIC 15, 'Agreements for construction of real estates'.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

Adoptions of standards

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective and were not early-adopted in these Financial Statements:

- IAS 27 (revised) - Consolidated and separate financial statements (Effective from 1 July 2009)
- IAS 39 (amendment) - Financial instruments: recognition and measurement (Effective from 1 July 2009)
- IFRS 1 (amendments) - First time adoption of IFRS (Effective from 1 January 2010)
- IFRS 2 (amendments) - Share-based payment (Effective from 1 January 2010)
- IFRS 3 (revised) - Business combinations (Effective from 1 July 2009)
- IFRS 9 - Financial instruments: classification and measurement (Effective from 1 January 2013)
- IFRIC 17 - Agreement for construction of real estates (Effective from 1 July 2009)
- IFRIC 18 - Transfer of assets from customers (Effective from 1 July 2009)

The financial information in these financial statements has been prepared on the basis of standards applicable as at 31 December 2009, therefore the above standards and interpretations have not been applied. The directors are of the opinion that the adoption of these standards in future periods will have no material financial and disclosure impact on the financial statements of the Company.

Functional and presentation currency

The Board of Directors considers the swiss franc as its functional currency as it is the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The swiss franc is the currency in which the Company measures its performance and reports its results. This determination also considers the competitive environment in which the Company is compared to other Swiss investment products. The presentation currency of the Company is also swiss francs.

Foreign Exchange

Transactions in currencies other than the functional currency are recorded using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items such as financial assets and liabilities held at fair value through profit or loss are reported as part of net gains or losses on financial assets through profit or loss in the statement of comprehensive income.

Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Company classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. These financial assets and liabilities are expected to be realised within 12 months of the statement of financial position date.

Derivatives are also categorised as financial assets or financial liabilities held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

Financial assets and financial liabilities at fair value through profit or loss (continued)

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Interest income/expense from financial assets and financial liabilities at fair value through profit or loss is recognised in the statement of comprehensive income on an accrual basis. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Company's right to receive payment is established.

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the closing bid price; the appropriate quoted market price for financial liabilities is the closing ask price.

Borrowings

Borrowings with the exception of those designated at fair value through profit or loss at inception are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company became a party to the contractual provisions of the instrument. Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Services settled in equity instruments

Services received in exchange for an equity-settled share-based payment are measured directly at their fair value and are recognised on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short term deposits.

Income

Investment income is accounted for when the right to receive payment is established. Investment income is included gross of any applicable withholding tax. Income from bank deposits is accounted for on an effective yield basis and securities lending is accounted for on an accruals basis.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

Expenses

All expenses, including management fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. Transaction costs when incurred are immediately recognised in the statement of comprehensive income as an expense.

Taxation

The Company is taxed at the Guernsey company standard rate of 0%. As the Company is wholly owned by non-Guernsey resident shareholders, withholding tax on deemed and actual distributions will be at the company standard rate of tax of 0%.

Withholding tax may be charged on dividend income received by the Company at time of payment. The withholding tax charged for the period is detailed in Note 7.

2. EARNINGS PER ORDINARY SHARE

The basic and diluted earnings per ordinary share has been calculated on a weighted average basis and is arrived at by dividing the increase in Net Assets attributable to holders of Ordinary Shares for the year, CHF 32,687,482 (2008: decrease of CHF 160,632,543) by the weighted average number of Ordinary Shares in issue, 4,000 (2008: 3,093).

There are no instruments which is convertible into potential ordinary shares of the Company in existence at 31 December 2009.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Financial assets		
Premium from issue of options	415,810	-
Losses realised on investments sold during the year	(64,284,563)	(25,551,362)
Unrealised gains/(losses) arising from changes in fair value during the year	104,812,869	(140,071,395)
Net gains/(losses) on financial assets at fair value through profit or loss	<u>40,944,116</u>	<u>(165,622,757)</u>
Financial liabilities		
Unrealised (losses)/gains arising from changes in fair value during the year	<u>(8,000,000)</u>	<u>9,000,000</u>

4. FOREIGN EXCHANGE GAINS/(LOSSES)

	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Foreign exchange gains/(losses)	<u>727,461</u>	<u>(1,872,162)</u>
	<u>727,461</u>	<u>(1,872,162)</u>

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5. INCOME

	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Income from securities designated at fair value through profit or loss:		
Dividend income	2,101,407	2,404,789
Securities lending income	369	393,792
Income from financial assets which are not at fair value through profit or loss:		
Interest on intercompany loans	640,887	484,322
Bank interest income	12,445	109,065
	<u>2,755,108</u>	<u>3,391,968</u>

6. DIVIDENDS TO HOLDERS OF ORDINARY SHARES

The following dividends to holders of ordinary shares were declared and approved during the year:

31.12.2009

Date	No. of ordinary shares	Dividend per share	CHF
27-May-09	4,000	250	1,000,000
28-Aug-09	4,000	250	1,000,000

31.12.2008

Date	No. of ordinary shares	Dividend per share	CHF
23-Jan-08	3,000	333	1,000,000
28-Apr-08	3,000	333	1,000,000
23-Jun-08	3,000	333	1,000,000
02-Dec-08	4,000	250	1,000,000

7. TAXATION

	Year ended 31 December 2009 CHF	Year ended 31 December 2008 CHF
Withholding tax	<u>519,646</u>	<u>407,217</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2009 CHF	31 December 2008 CHF
Fair value at beginning of year	137,504,942	264,449,672
Cost of investments:		
Additions	110,308,095	139,122,703
Disposals	(174,404,066)	(125,996,038)
Unrealised gains/(losses) for the year	<u>104,812,869</u>	<u>(140,071,395)</u>
Fair value at end of year	<u>178,221,840</u>	<u>137,504,942</u>

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

9. RECEIVABLES

	31 December 2009	31 December 2008
	CHF	CHF
Interest receivable on intercompany loan	1,171,268	537,001
Dividends receivable	38,336	63,678
Securities sold receivable	-	44,121
Other receivables	369	-
	<u>1,209,973</u>	<u>644,800</u>

10. BORROWINGS

The Company has not received any loan during the year. During the year ended 31 December 2008, the Company received loans amounting to CHF 5,058,814. On 28 November, 2008, the outstanding balance of this loan, CHF 10,947,814 was capitalised and 1,000 ordinary shares of par value £1 each has been issued to Sustainable Performance Group AG ("SPG AG").

11. PAYABLES

	31 December 2009	31 December 2008
	CHF	CHF
Management fees	422,330	380,546
Securities purchased payable	-	32,648
Administration fees	-	30,605
Audit fees	22,000	16,833
Directors' fees	19,373	4,806
Other accruals	2,767	85,509
Accrued interest on convertible bonds	616,022	616,022
	<u>1,082,492</u>	<u>1,166,969</u>

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2009	31 December 2008
	CHF	CHF
Fair value at the beginning of year	41,000,000	-
Additions	-	50,000,000
Unrealised losses/(gains) on convertible bond	8,000,000	(9,000,000)
	<u>49,000,000</u>	<u>41,000,000</u>

On 9 May 2008, the Company launched the issue of a convertible bond listed on the SIX Swiss Exchange. The issue is guaranteed by Sustainable Performance Group ("SPG AG") and the gross proceeds to the Company amount to CHF 50 million before commissions and transaction costs. The nominal value of each bond is CHF5,000 and carries a 2% coupon payable yearly on 20 May. The convertible bond matures on 20 May 2013.

Each bond entitles the holder to convert to one ordinary share of the guarantor, SPG AG, at a cost of CHF423 per share and conversion can occur any time between 30 June 2008 to 15 May 2013. The bond can be converted into a maximum of 118,203 SPG bearer shares drawn from conditional capital or treasury shares.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

15. RELATED PARTY TRANSACTIONS (continued)

(i) Directors (continued)

The Company has three directors, all independent of the Adviser other than Mr Brugger who is a member of SAM Sustainable Asset Management AG. Mr Brugger has waived his entitlement to directors' fees.

(ii) Transactions with SPG AG

There have been no transactions with SPG AG during the year ended 31 December 2009. During the year ended 31 December 2008 1,000 shares were issued by the Company which were allotted to SPG AG for the sum of CHF10,947,814.

(iii) Investment Advisory Fee

Under the terms of the Investment Advisory Agreement dated 1 January, 2007, the Company shall pay to SAM Sustainable Asset Management AG consideration consisting of (i) a basic fee, (ii) a performance fee and (iii) expenses.

(i) The basic fee amounts to a percentage fee payable at the end of each calendar quarter of the Cumulative NAV as follows: (i) 1.0 per cent. per annum on Cumulative NAV equal to or below CHF250million; (ii) 0.9 per cent. per annum on Cumulative NAV between CHF250million and CHF400million; and (iii) 0.8 per cent. per annum on Cumulative NAV above CHF400million. For the purpose of calculating the quarterly basic fee, the relevant Cumulative NAV shall be defined as the arithmetic average of the last trading day of each month within the respective quarter of the combined Net Asset Value of SPG Public Investments Limited and SPG Private Investments Limited.

Total management fees of CHF1,556,166 (2008: CHF2,147,228) has been charged to the statement of comprehensive income during the year of which CHF422,330 (2008: CHF380,546) remained outstanding at the year end.

(ii) The annual performance fee depends on the gain in the Cumulative NAV relative to the MSCI World ex Financials Index (the "Benchmark"). If the Cumulative NAV exceeds the Benchmark by 2 per cent on an annualised basis, the performance fee comes to 15 per cent of the portion of the gain which exceeds the annualised excess performance limit of 2 per cent. vis-a vis the Benchmark.

For the purpose of calculating the annual performance fee, the gain in relevant Cumulative NAV and Benchmark shall be defined as the difference between the year-end value and value at the beginning of the year, divided by the value at the beginning of the year. The value at the beginning of the year is defined as the closing value of the first trading day of the calendar year.

No performance fee is paid for annualised excess performance of less than 2 per cent. The performance fee is reset at the end of each calendar year.

The performance fee is paid 50 per cent in cash and the other 50 per cent is in form of shares of Sustainable Performance Group AG, calculated with the closing share price as at the last trading day of the respective calendar year. These shares are subject to a lock-up period of 3 years.

As at 31 December 2009, the criteria for the payment of performance fee has not been reached and no performance fee (2008: CHF Nil) was payable at the year end.

(iv) SPG Private Investments Limited

At 31 December 2009, the Company has loans receivable from SPG Private Investments Limited, a subsidiary of SPG AG amounting to CHF 11,385,542 (2008: CHF9,312,477) under the terms of the Inter-Company Loan Agreement between SPG Public Investments Limited and SPG Private Investments Limited. The loans which are unsecured carry interest at 6% per annum.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

16. ADMINISTRATION FEES

The Company's administrator, secretary and registrar is Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"). The Administrator is entitled to receive a fixed fee of £80,000 per annum. In addition, the Administrator is entitled to be reimbursed certain expenses incurred in the course of carrying out its duties. During the year to 31 December 2009, administration fees of CHF140,888 (2008: CHF138,009) were charged to the Company and CHF Nil (2008: CHF30,605) was payable at the year end.

17. SEGMENT REPORTING

The Board of Directors makes the strategic resource allocations on behalf of the Company. The Company has determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The breakdown of investments by geographical segment is provided.

The company trades in a highly diversified portfolio of listed securities with the potential for sustainable value enhancement.

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

The company has no assets classified as non-current assets. The Company has a highly diversified portfolio of investments and no single investment accounts for more than 9% of the Company's income. There were no changes in the reportable segments during the year.

	31 December 2009	31 December 2008
	CHF	CHF
Austria	1,625,557	3,458,183
Belguim	-	3,475,937
Bermuda	1,251,736	-
Brazil	2,795,777	2,600,172
Canada	16,388,782	8,042,772
Cayman Islands	10,881,772	-
China	4,705,630	10,806,347
Denmark	12,397,226	8,604,903
France	6,532,487	1,877,685
Germany	18,045,161	26,850,402
Hong Kong	3,402,566	2,093,474
Italy	4,441,065	-
Japan	3,220,232	4,084,239
Luxembourg	-	2,401,128
Netherlands	2,855,108	1,957,136
Norway	3,682,833	-
Spain	7,447,975	3,760,888
Switzerland	18,404,627	14,803,292
United Kingdom	3,120,017	993,910
United States of America	57,023,289	41,694,474
Total	<u>178,221,840</u>	<u>137,504,942</u>

Revenue earned is reported separately on the face of the Statement of Comprehensive Income as dividend income, bank interest income, interest income on intercompany loans, securities lending income and net gain or losses on financial instruments.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows financial instruments analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	31 December 2009			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Investments	176,970,104	1,251,736	-	178,221,840
Financial liabilities at fair value through profit or loss				
Convertible bond	49,000,000	-	-	49,000,000

Celestial Nutrifoods amounting to CHF1,251,736 has been transferred from Level 1 to Level 2 during the year as the company's shares were suspended from the Singapore Stock Exchange in June 2009 as the company could not fulfill its obligations of early repayment of a convertible bond. The valuation of the share is based on the bid price prior to suspension and therefore does not constitute a valuation at 31 December 2009 based on an active market. The Board has however decided against impairing the investment any further as the share price had already fallen more than 50% in 2009 before being suspended reflecting the difficult economic climate. Also, as at the date of issue of these financial statements, there were no obvious signs that the company will go bankrupt based on information available. An announcement on 28 February 2010 by Celestial Nutrifoods Limited stated that following the recent completion of a Financial Review Report by KPMG, Celestial Nutrifoods Limited are continuing to engage with the bond holders to seek a mutually satisfactory resolution so that trading of its shares can resume.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Directors review and agree policies with the Manager and Investment Adviser for managing these risks and they are summarised below.

Market price risk

The nature of the business in which the Company is involved, which entails holding a large proportion of total assets in securities, means that the Company is highly exposed to market price risk which arises mainly from the uncertainty about future prices of the securities held by the Company. It represents the potential loss the Company may suffer through holding market positions in the face of price movements. Market price risk is mitigated by the Company's Investment Adviser by constructing a diversified portfolio of securities traded on various markets. The Company's investments are monitored continually by the investment adviser and regularly by the Board of Directors. At the time of investment no more than 15% of investment assets may be invested in securities of the same company. At least each quarter, the Board of Directors are informed about market development, performance and changes in the Portfolio.

		% of net assets valued at bid / ask
	Fair value	market price
31 December 2009		
Financial assets at fair value through profit or loss	178,221,840	125%
Financial liabilities at fair value through profit or loss	49,000,000	-34%
		% of net assets valued at bid / ask
31 December 2008	Fair value	market price
Financial assets at fair value through profit or loss	137,504,942	123%
Financial liabilities at fair value through profit or loss	41,000,000	-37%

As of 31 December 2009 market price risk is affected by the fluctuation in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Impact of fluctuation of exchange rates is discussed under currency risk.

As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect net investment income.

Most of the Company's equity investments are listed on European stock exchanges. A 10% (2008: 10%) increase in stock prices and the price of the convertible bond at 31 December 2009 would have increased the net assets attributable to shareholders and the changes in net assets attributable to shareholders by CHF12,922,184 (2008: CHF9,650,494); an equal change in the opposite direction would have decreased the net assets attributable to holders of ordinary shares by an equal but opposite amount.

Currency risk

The Company uses the Swiss francs as its functional currency. However, the Company may make investments in other currencies besides the Swiss francs. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Company's policy is to only enter into currency swaps in exceptional cases.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Currency risk (continued)

Currency swaps may be used in exceptional cases as a way of hedging exchange rate risk. As the Company's net asset value is calculated and reported in Swiss francs, foreign currency fluctuations may significantly affect the Company's performance. Furthermore, fluctuations in exchange rates and currency regulations may influence the Company's net asset value and income as measured in Swiss francs. The Company's investments are monitored continually by the investment adviser and quarterly by the Board of Directors.

At the reporting date the Company had the following exposure:

Currency	31.12.2009	31.12.2008
Australian Dollar	1.37%	0.65%
Brazilian Real	0.00%	1.69%
Canadian Dollar	7.39%	5.59%
Danish Krone	8.69%	5.58%
Euro	33.68%	27.48%
Pound Sterling	3.78%	1.84%
Hong Kong Dollar	5.76%	5.08%
Japanese Yen	2.77%	2.69%
Norwegian Kroner	2.58%	0.01%
Swedish Kroner	0.00%	1.57%
Singapore Dollar	0.88%	1.78%
United States Dollar	54.32%	35.81%

At 31 December 2009

Balance position:	USD	DKK	EURO	GBP	CAD	Other
<i>All amounts stated in Swiss Francs</i>						
ASSETS						
Cash and cash equivalents	485,711	2,280	14,335	8,458	11,791	804,554
Securities	76,507,254	12,397,226	40,947,353	3,120,017	10,535,070	16,310,293
Inter-company loans	425,905	-	6,438,665	2,025,797	-	1,802,917
Receivables	68,445	-	650,450	275,871	-	151,965
LIABILITIES						
Payables	-	-	-	(44,140)	-	-
Net positions	77,487,315	12,399,506	48,050,803	5,386,003	10,546,861	19,069,729

At 31 December 2008

Balance position:	USD	DKK	EURO	GBP	CAD	Other
<i>All amounts stated in Swiss Francs</i>						
ASSETS						
Cash and cash equivalents	4,395,229	1,803	390,118	213	566,091	770,020
Securities	50,294,102	8,604,903	36,113,422	993,910	8,042,773	18,973,888
Inter-company loans	438,512	-	5,604,556	1,790,146	-	963,155
Receivables	69,003	-	249,594	111,620	-	38,853
LIABILITIES						
Payables	-	-	-	(52,244)	-	-
Net positions	55,196,846	8,606,706	42,357,690	2,843,645	8,608,864	20,745,916

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Currency risk (continued)

At 31 December 2009, had the Swiss Franc strengthened by 10% (2008: 10%) in relation to all currencies, with all other variables held constant, net assets attributable to shareholders and the change in net assets attributable to shareholders per the income statement would have decreased by the amounts shown below.

All amounts stated in Swiss Francs

	31.12.2009	31.12.2008
United States Dollar	7,748,732	5,519,685
Euro	4,805,080	4,235,769
Pound Sterling	538,600	284,365
Canadian Dollar	1,054,686	860,886
Total	<u>14,147,098</u>	<u>10,900,705</u>

A 10% (2008: 10%) weakening of the Swiss Franc against the above currencies would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities. The majority of the Company's financial assets and financial liabilities are non-interest bearing except for the convertible bond. Other interest bearing financial assets and interest bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to some exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested short term at market interest rates.

The table below shows the interest rate profiles of the financial assets of the Company.

At 31 December 2009

	Fixed Rate CHF	Floating Rate CHF	No Interest Rate Associated CHF	Total 31.12.2009 CHF
Financial assets:				
Investments	-	-	178,221,840	178,221,840
Cash at bank	-	1,923,044	-	1,923,044
Other assets	11,385,542	-	-	11,385,542
Receivables	-	-	1,209,973	1,209,973
				<u>192,740,399</u>
Financial liabilities:				
Payables	-	-	(1,082,492)	(1,082,492)
Convertible bond	(49,000,000)	-	-	(49,000,000)
				<u>(50,082,492)</u>

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Interest rate risk (continued)

At 31 December 2008

	Fixed Rate CHF	Floating Rate CHF	No Interest Rate Associated CHF	Total 31.12.2008 CHF
Financial assets:				
Investments	-	-	137,504,942	137,504,942
Cash at bank	-	6,675,175	-	6,675,175
Other assets	9,312,477	-	-	9,312,477
Receivables	-	-	644,800	644,800
				154,137,394
Financial liabilities:				
Payables	-	-	(1,166,969)	(1,166,969)
Convertible bond	(41,000,000)	-	-	(41,000,000)
				(42,166,969)

Liquid assets (cash at bank) earn interest at standard rates.

The value of the convertible bonds decreases by increasing interest rate and by decreasing SPG share price. If SPG AG share price is constant, the value of the convertible bond falls from 98 to 95 if the current return of 2.64% increases by 100 basis points. A decrease of 100 basis points will have an equal but opposite effect (the value increases from 98 to 101, if the current return of 2.64% decreases by 100 basis points).

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

<i>All amounts stated in Swiss Francs</i>	31.12.2009	31.12.2008
Securities lent	735,512	-
Inter-company loans	11,385,542	9,312,477
Cash at bank	1,923,044	6,675,175
Balances due from broker	-	44,121
Interest and dividend receivables	1,209,973	600,679
Total	15,254,071	16,632,452

Amounts in the above table are based on the carrying value of all accounts.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

Securities lending was discontinued in the fourth quarter of 2008 and all securities lent were recalled. As of 1 July 2009, the suspension of securities lending of SPG AG shares was repealed as part of the outsourcing of regular market making for the SPG AG share to Credit Suisse. The ban on securities lending continues to apply to all other shares. This decision was later ratified by the Company's Board. As at 31 December 2009, 3,285 shares of SPG AG were lent to third parties (2008: None) while commissions from securities lending amounted to CHF369 (2008: CHF393,792).

The Company only maintains business relationships with banks having a first-class credit rating (at least S&P A/Moody's Aa2). Securities and cash balances are held with Credit Suisse, the Company's custodian which has been assigned a long-term credit rating of Aa2 and A from Moody's and Standard and Poor's respectively.

Counterparty credit risk arising from the intercompany loan is monitored by the Board of Directors through the Inter-Company Loan Agreement and any increase to the loan amount is approved by the Board of Directors.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk increases because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's policy throughout the year has been to ensure liquidity by investing in securities listed on various stock exchanges to ensure there is a readily realisable market to meet expected cash outflows.

Residual Contractual maturities of financial assets

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	No stated maturity CHF
31 December 2009				
Loan to SPG Private	-	-	-	11,385,542
Receivables	369	38,336	-	1,171,268
Cash and cash equivalents	1,923,044	-	-	-
	1,923,413	38,336	-	12,556,810

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	No stated maturity CHF
31 December 2008				
Loan to SPG Private	-	-	-	9,312,477
Receivables	44,121	63,678	-	537,001
Cash and cash equivalents	6,675,175	-	-	-
	6,719,296	63,678	-	9,849,478

Residual Contractual maturities of financial liabilities

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	No stated maturity CHF
31 December 2009				
Accrued expenses	422,330	44,140	-	-
Accrued interest on convertible bond	-	-	616,022	-
	422,330	44,140	616,022	-

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

19. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity risk (continued)

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	No stated maturity CHF
31 December 2008				
Balances due to broker	32,648	-	-	-
Accrued expenses	411,151	107,148	-	-
Accrued interest on convertible bond	-	-	616,022	-
	<u>443,799</u>	<u>107,148</u>	<u>616,022</u>	<u>-</u>

Liquidity needs in relation to the convertible bond results from the corresponding terms of the issue. Conversion or repayment depends on market development by the expiration date of 20 May, 2013.

Fair value

Many of the Company's financial instruments are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including amounts due from/to brokers, loan to/from group company accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Capital Management

The capital managed by the Company consists of the equity reported in the Statement of Financial Position and the convertible bond. The Company's objectives when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, issue new shares or raise additional debt.

20. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

21. ULTIMATE CONTROLLING PARTY

Sustainable Performance Group AG, a company incorporated in Switzerland, is the immediate parent company. In the opinion of the directors there is no ultimate controlling party.

22. COMMITMENTS

The Company has no forward currency contracts outstanding at 31 December 2009 (2008: Nil).

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date to report as at the date of issue of these financial statements.