

Company Registration No. 06245343
(Incorporated in England and Wales)

Sindicatum Carbon Capital Services Limited

Annual Financial Statements
For the financial year ended 31 December 2018



COMPANIES HOUSE
EDINBURGH

27 SEP 2019

FRONT DESK

Sindicatum Carbon Capital Services Limited

General Information

Director

Robert Eugene Driscoll

Company Secretary

Nicholas Tara Kelly

Registered Office

Private Office-1-02
25 Eccleston Place
London
SW1W 9NF

Auditor

Ernst & Young LLP
Atria One, 144 Morrison Street
Edinburgh, EH3 8EX
United Kingdom

Banker

HSBC Bank plc
8 Canada Square
London
E14 5HQ

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Sindicatum Carbon Capital Services Limited

Strategic report For the financial year ended 31 December 2018

The director presents the strategic report of Sindicatum Carbon Capital Services Limited (the "Company") for the year ended 31 December 2018.

Business review

The net loss for the year ended 31 December 2018 was £3,086,004 (2017: net profit £13,609). As at 31 December 2018, the total assets of the Company were £65,073 (2017: £2,879,699) and its net liabilities amounted to £5,496,744 (2017: £2,410,740).

Principal activity

The principal activity of the Company is to provide services to Group companies in the development of projects which reduce greenhouse gas emissions.

Future developments

Services demanded of the Company by other Group companies in the current year are expected to remain similar.

Principal risks

The principal business risk and uncertainties affecting the Company are considered to relate to the level of demand of services and the recoverability of its costs from other Group companies. Its overall risk management programme is covered in more detail in Note 18 of the financial statements.

Key performance indicators ("KPI")

Given the straightforward nature of the business, the Company's director is of the opinion that analysis using KPIs other than profit is not necessary for an understanding of the development, performance or position of the business.

Sindicatum Carbon Capital Services Limited

**Director's report
For the financial year ended 31 December 2018**

The director presents his report and audited financial statements of the Company for the year ended 31 December 2018.

Results and dividends

The results for the year are set out on page 7.

The director does not recommend the payment of a dividend (2017: £nil).

Director

The following director has held office during the year and up to the date of signing the financial statements:

Robert Eugene Driscoll

Third party indemnity provisions

There were no qualifying third party indemnity provisions in place to the benefit of any directors at any time within the financial year or to the date of this report.

Going concern

As at 31 December 2018, the Company is in a net liability position. The immediate holding company, Sindicatum Sustainable Resources Management Pte. Limited, has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Director's statement as to disclosure of information to the auditors

In accordance with the provisions of section 418(2) of the Companies Act 2006 and after having made enquiries of the Company's auditors, the director who is in office at the date the director's report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Sindicatum Carbon Capital Services Limited

**Director's report
For the financial year ended 31 December 2018**

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

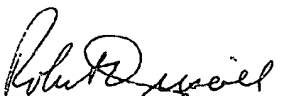
Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the director must not approve the financial statements unless he is satisfied that they 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.



Robert Eugene Driscoll
Director

26 September 2019

Sindicatum Carbon Capital Services Limited

Independent auditor's report to the member of Sindicatum Carbon Capital Services Limited

Opinion

We have audited the financial statements of Sindicatum Carbon Capital Services Limited for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Sindicatum Carbon Capital Services Limited

Independent auditor's report to the member of Sindicatum Carbon Capital Services Limited (cont'd)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Sindicatum Carbon Capital Services Limited

**Independent auditor's report to the member of Sindicatum Carbon Capital Services Limited
(cont'd)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Ernst & Young LLP

Julie Cavin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

27 September 2019

Sindicatum Carbon Capital Services Limited

**Statement of comprehensive income
For the financial year ended 31 December 2018**

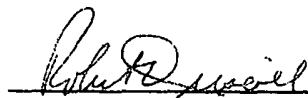
	Note	2018 £	2017 £
Revenue	6	195,610	171,583
Operating costs	19	(189,543)	(155,212)
Operating profit		6,067	16,371
(Recognition)/reversal of impairment losses on receivables from related companies		(2,893,110)	20,138
Other income		8,784	3,518
Finance costs	7	(117,394)	(89,335)
Net foreign exchange (loss)/gain		(90,351)	62,917
(Loss)/profit on ordinary activities before taxation		(3,086,004)	13,609
Income tax expense	9	—	—
(Loss)/profit for the year and total comprehensive income for the year, net of tax		(3,086,004)	13,609

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Sindicatum Carbon Capital Services Limited

**Balance sheet
As at 31 December 2018**

	Note	2018 £	2017 £
Assets			
Current assets			
Trade and other receivables	11	46,689	2,870,603
Cash and cash equivalents	12	11,695	7,551
Total current assets		58,384	2,878,154
Non-current asset			
Plant and equipment	10	6,689	1,545
Total non-current assets		6,689	1,545
Total assets		65,073	2,879,699
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	13	500	500
Accumulated losses		(5,497,244)	(2,411,240)
Total equity		(5,496,744)	(2,410,740)
Current liabilities			
Other payables	14	5,561,817	5,290,439
Total current liabilities		5,561,817	5,290,439
Total equity and liabilities		65,073	2,879,699



Robert Eugene Driscoll
Director

26 September 2019
Company Number: 06245343

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Sindicatum Carbon Capital Services Limited

**Statement of changes in equity
For the financial year ended 31 December 2018**

	Issued capital £	Accumulated losses £	Total £
Balance at 1 January 2018	500	(2,411,240)	(2,410,740)
Loss and total comprehensive income for the year	–	(3,086,004)	(3,086,004)
Balance at 31 December 2018	500	(5,497,244)	(5,496,744)
Balance at 1 January 2017	500	(2,424,849)	(2,424,349)
Profit and total comprehensive income for the year	–	13,609	13,609
Balance at 31 December 2017	500	(2,411,240)	(2,410,740)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Sindicatum Carbon Capital Services Limited**Statement of cash flows
For the financial year ended 31 December 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
(Loss)/profit for the year before tax		(3,086,004)	13,609
Recognition/(reversal) of impairment losses on receivables from related companies		2,893,110	(20,138)
Interest charged by immediate holding company	7	117,394	89,335
Depreciation	10	723	468
		(74,777)	83,274
Movement in working capital:			
Trade and other receivables		(69,196)	(43,726)
Other payables		153,984	(75,947)
Net cash generated from/(used in) operating activities		10,011	(36,399)
Cash flows from investing activities			
Purchase of plant and equipment		(5,867)	(985)
Net cash used in investing activities		(5,867)	(985)
Net increase/(decrease) in cash and cash equivalents		4,144	(37,384)
Cash and equivalents at the beginning of the financial year		7,551	44,935
Cash and cash equivalents at the end of the financial year	12	11,695	7,551

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

1. General information

Sindicatum Carbon Capital Services Limited (the "Company") is a private limited company, which is incorporated and domiciled in England and Wales. The Company is a wholly owned subsidiary of Sindicatum Sustainable Resources Management Pte. Limited, a company incorporated in Singapore, as at 31 December 2018.

The registered office and principal place of business of the Company is located at Private Office-1-02, 25 Eccleston Place, London, SW1W 9NF, United Kingdom.

2. Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with EU Endorsed IFRS standards and the company's interpretation of IFRIC standards, the Companies Act 2006 as applicable to companies using IFRS. The principal accounting policies have been consistently applied in all periods presented and are set out below.

The financial statements are presented in Great British Pounds (GBP or £), except when otherwise indicated.

Going concern

The Company incurred a net loss of £3,086,004 (2017: net profit of £13,609) during the year ended 31 December 2018. As at 31 December 2018, the Company is in a net liability position of £5,496,744 (2017: £2,410,740). The immediate holding company, Sindicatum Sustainable Resources Management Pte. Limited has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

3. Adoption of new and revised standards

(a) New and amended standards adopted by the Company:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2018 that would be expected to have a material impact on the Company.

(b) Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2019.

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

3. Adoption of new and revised standards (cont'd)

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
IFRS 16 Leases	1 January 2019

The Company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

The director expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

4. Accounting policies

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is presented as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

4. Accounting policies (cont'd)

Taxation

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Leases

Leases of offices where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the period of the lease.

Plant and equipment

Plant and equipment are recorded at cost less depreciation in accordance with the recognition criteria detailed in IAS 16, Plant and equipment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The depreciation rates applied are:

IT equipment	25% Straight Line
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Impairment of plant and equipment

At each balance sheet date, the Company reviews the carrying amounts of its plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Non-financial assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

4. Accounting policies (cont'd)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Great British Pounds, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. There are no assets or liabilities classified as "fair value through profit and loss".

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits held on call with banks.

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

4. Accounting policies (cont'd)

Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Employee compensation

Defined contribution plans

The Company's contribution to defined contribution plans are recognised as employee compensation expense when the contributions are due.

Related party

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity is member of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is controlled or jointly controlled by a person identified in (a); or
 - (vi) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

Deferred tax and income taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

6. Revenue

	2018	2017
	£	£
Revenue from the rendering of services (Note 20)	195,610	171,583

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

7. Finance costs	2018	2017
	£	£
Interest charged by immediate holding company (Note 20)	117,394	89,335

8. (Loss)/profit on ordinary activities before taxation	2018	2017
	£	£
(Loss)/profit for the year has been arrived at after charging:		
Employee costs	28,691	30,253
Professional fees	5,346	13,434
Audit fees	6,123	6,251

8.1 Employee benefits expense	2018	2017
	£	£
Other benefits	28,691	30,253

9. Income tax expense	2018	2017
	£	£
Current tax:		
Current tax charge	-	-

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017: lower) than the standard rate of company tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018	2017
	£	£
(Loss)/profit before taxation	(3,086,004)	13,609
Tax on results before taxation at the standard tax rate of 19% (2017: 19%)	(586,341)	2,586
Effect of:		
Non-deductible expenses	549,829	-
Non-taxable income	-	(4,406)
Deferred tax not recognised	36,512	1,820
Total current tax charge	-	-

Trading losses available to be carried forward amount to £1,234,534 (2017: £1,051,943).

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

9. Income tax expense (cont'd)

Deferred tax assets

At the year end the Company had a net potential deferred tax asset amounting to approximately £234,562 (2017: £199,869) due to timing differences between certain items for tax and accounting. As the Company has no history of consistent profits, no deferred tax assets have been recognised to date.

10. Plant and equipment

	IT equipment £
Cost	
At 1 January 2017	1,050
Additions	985
As 31 December 2017 and 1 January 2018	2,035
Additions	5,867
As 31 December 2018	7,902
Accumulated depreciation	
At 1 January 2017	(22)
Depreciation	(468)
At 31 December 2017 and 1 January 2018	(490)
Depreciation	(723)
At 31 December 2018	(1,213)
Net book value	
31 December 2017	1,545
31 December 2018	6,689

11. Trade and other receivables

	2018 £	2017 £
Receivables from related companies (Note 20)	3,006,355	2,978,129
Receivables from ultimate holding company (Note 20)	22,180	-
Other receivables	4,461	5,759
Deposits	23,166	8,784
Prepayments	17,418	11,712
Less: Allowance for impairment (Note 20)	(3,026,891)	(133,781)
	46,689	2,870,603

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

11. Trade and other receivables (cont'd)

As at 31 December 2018, accumulated allowance for impairment of £3,026,891 (2017: £133,781) was made on amounts due from related companies and ultimate holding company with total gross amount of £3,028,535 (2017: £2,978,129). See below for the movements in the allowance for impairment of receivables:

	2018 £	2017 £
At 1 January	(133,781)	(153,919)
Allowance written back	35,859	20,138
Charge for the year	(2,928,969)	-
At 31 December	<u>(3,026,891)</u>	<u>(133,781)</u>

Amounts receivables from related companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Singapore Interbank Offered Rate plus 2.5% per annum (2017: Singapore Interbank Offered Rate plus 2.5% per annum) calculated on the average balance each calendar month. All other receivables are due within one year of the balance sheet date and carry no interest.

12. Cash and cash equivalents

	2018 £	2017 £
Cash and bank balances	<u>11,695</u>	<u>7,551</u>

Cash is held at a bank with a credit rating of Aa3 (2017: Aa3).

12.1 Currency split of cash and cash equivalents stated in GBP equivalents

	2018 £	2017 £
Great British Pounds	10,602	7,060
United States Dollars	1,093	491
	<u>11,695</u>	<u>7,551</u>

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

13. Issued capital

	Share capital	
	2018	2017
	£	£
Issued 50,000 (2017: 50,000) fully paid ordinary shares of 1p	500	500
Authorised share capital 10,000,000 (2017: 10,000,000) shares of 1p	100,000	100,000

The Company has only one class of share in issue and there is no new share issuance within the year.

14. Other payables

	2018	2017
	£	£
Other creditors	23,393	12,594
Payables to immediate holding company (Note 20)	4,862,595	4,723,970
Payables to related companies (Note 20)	666,523	530,137
Accruals	9,306	23,738
	5,561,817	5,290,439

The ageing of the other creditors is detailed below:		
0 to 30 days	178	12,594
31 to 60 days	23,124	-
91 days	91	-

The majority of other creditors are repayable in GBP (2017: GBP).

The payables to group companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Singapore Interbank Offered Rate plus 2.5% per annum (2017: Singapore Interbank Offered Rate plus 2.5% per annum) calculated on the average balance each calendar month.

15. Director's emoluments

Director's emoluments comprise salary, bonus and other benefits. There were no remuneration and pension contributions paid for director which require disclosure.

16. Contingent assets and liabilities

The Company did not have any contingent assets or liabilities as at 31 December 2018 (2017: nil).

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

17. Commitments to expenditure

Operating lease commitments – where the company is a lessee

The Company leases office from non-related party under non-cancellable operating lease agreement.

The future minimum lease payables under non-cancellable operating leases contracted for that the balance sheet dates but not recognised as liabilities, are as follows:

	2018 £	2017 £
Not later than one year	57,528	49,472
Between one and five years	52,734	–
	110,262	49,472

18. Financial risk management

The Company carries out detailed risk management reviews to ensure that the risks are mitigated where possible. The director believes that the Company faces the following risks:

(a) Fair values

Cash and cash equivalents have a remaining maturity of less than three months and hence the amount is considered to approximate fair value.

For receivables and payables with a remaining life of less than twelve months or demand balances, the carrying value less impairment provision where appropriate is considered to approximate fair value. All other receivables and payables are discounted to fair value in the balance sheet.

(b) Credit risk

The Company's business is conducted primarily with related companies. The related companies' payment profile and credit exposure are continuously monitored by management.

The maximum exposure to credit risk is represented by the carrying amount of each trade receivable in the balance sheet.

The Company holds cash in approved financial institutions that have at least an investment grade credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, as shown in the financial statements.

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

18. Financial risk management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquid resources comprise of cash and cash equivalents. The Company's objectives when managing its liquid resources are:

- to ensure that it will always have sufficient funds to meet its liabilities as they fall due;
- to have available the necessary financial resources to allow us to invest in areas that may deliver future benefits to the Company's portfolio and create value for shareholders;
- and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

At 31 December 2018 and 2017, the Company had interest bearing liabilities. The Company's liquid resources are set out in the financial statements. The Company is dependent on the support of its ultimate holding company for liquidity.

(d) Interest rate risk

Liquid funds are invested primarily in Great British Pounds and United States Dollars. The Company has loan receivables from and payables to group companies linked to the Singapore Interbank Offered Rate, which will affect the amount of net interest payable.

If interest rate increase/decrease by 0.6% (2017: Nil) with all other variables including tax rate being held constant, the decrease/increase in the results after tax will be £16,000 (2017: £Nil) as a result of the higher/lower interest rate expenses on variable-rate borrowings.

(e) Currency risk

Great British Pounds, Euros, and United States Dollars are the primary currencies in which the Company conducts business. Great British Pounds are used for planning and budgetary purposes and as the presentation currency for financial reporting.

The principal risks to which the Company is exposed are movements in the exchange rates of the Euros and the United States Dollars against the Great British Pounds. Owing to the composition of the currency of the Company's external debtors and creditors as at 31 December 2018, a strengthening/(weakening) of the Great British Pounds against the United States Dollars by 1% would increase/(decrease) results for the Company of approximately £12,378 (2017: £11,105), whereas a strengthening/(weakening) of the Great British Pounds against the Euros by 1% would increase/(decrease) results for the Company of approximately £7,966 (2017: £7,846).

Sindicatum Carbon Capital Services Limited

Notes to the financial statements For the financial year ended 31 December 2018

18. Financial risk management (cont'd)

(f) 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged from the prior year.

In order to maintain or adjust the capital structure, the Company may adjust the amount of capital returned to shareholder, issue new shares or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements.

(g) Financial instruments by category

The aggregate carrying amounts of financial assets and liabilities at amortised cost are as follows:

	2018 £	2017 £
Trade and other receivables (Note 11)	46,689	2,870,603
Cash and cash equivalents (Note 12)	11,695	7,551
Less: Prepayments (Note 11)	(17,418)	(11,712)
Financial assets at amortised cost/Loans and receivables	40,966	2,866,442
Other payables (Note 14)	5,561,817	5,290,439
Financial liabilities at amortised cost	5,561,817	5,290,439

19. Operating costs

	2018 £	2017 £
Staff costs	28,691	30,253
Occupancy costs	73,511	61,844
Travel expenses	74,457	39,329
Professional fees	5,346	13,434
Audit fees	6,123	6,251
Depreciation	723	468
Other expenses	692	3,633
	189,543	155,212

These costs comprise operating costs as reported in the statement of comprehensive income.

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

20. Related party transactions

	Amount owned by Group companies		Amount owed to Group companies	
	2018 £	2017 £	2018 £	2017 £
Ultimate holding companies				
Sindicatum Sustainable Resources Pte. Limited	22,180	-	-	-
Immediate holding companies				
Sindicatum Sustainable Resources Management Pte. Limited	-	-	4,862,595	4,723,970
Related companies				
Sindicatum Carbon Capital Limited	-	-	665,914	530,137
Sindicatum Carbon & Energy Management Limited	2,902,822	2,842,704	-	-
Sindicatum Carbon Capital (South East Asia) Pte. Ltd.	-	-	609	-
Sindicatum Carbon & Energy Management (Singapore) Pte Limited	1,644	1,644	-	-
Beijing Sindicatum Clean Energy Technology and Services Company Ltd	35,638	35,619	-	-
Sindicatum Carbon Capital India Private Limited	1,614	1,614	-	-
Xentolar Holdings Limited	247	283	-	-
Sindicatum Carbon Capital Nzem Pte. Limited	64,390	60,443	-	-
Sindicatum Sustainable Resources Group Limited	-	23,491	-	-
Verdeo Sindicatum Corp.	-	12,331	-	-
Less: Provision of impairment	(3,026,891)	(133,781)	-	-
	1,644	2,844,348	5,529,118	5,254,107

The above balances include payments made on behalf of Group companies and recharges of services to/from Group companies.

Sindicatum Carbon Capital Services Limited

**Notes to the financial statements
For the financial year ended 31 December 2018**

21. Ultimate parent company and controlling party

The immediate parent company is Sindicatum Sustainable Resources Management Pte. Limited.

The ultimate parent company and controlling party is Sindicatum Sustainable Resources Pte. Limited, a company incorporated in Singapore.

Sindicatum Sustainable Resources Pte. Limited is the parent company of the largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Sindicatum Sustainable Resources Pte. Limited is available at 80 Anson Road #28-02 Fuji Xerox Towers Singapore 079907.

22. Commitments and contingencies

There are no commitments or contingencies as of 31 December 2017 and 2018.

23. Events occurring after the balance sheet date

No significant events with a material impact on the financial statements occurred after the balance sheet date.

24. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of Sindicatum Carbon Capital Services Limited on 26 September 2019.