

Sindicatum Carbon Capital Services Limited

Company Registration Number: 06245343

Annual Report and Financial Statements

For the year ended 31 December 2011

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Sindicatum Carbon Capital Services Limited
Annual Report and Financial Statements for the year ended 31 December 2011

Directors and Advisers

Directors

A Razzouk	(resigned on 25 March 2011)
N Kelly	(appointed on 25 March 2011)
R Mackenzie-Smith	(resigned on 28 February 2012)
R Driscoll	(appointed on 28 February 2012)

Company Secretary

N Kelly

Company registration number

06245343 (incorporated in England and Wales)

Registered office

25 Eccleston Place
London
SW1W 9NF

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC Bank plc
8 Canada Square
London
E15 5HQ

Sindicatum Carbon Capital Services Limited
Annual report and Financial Statements for the year ended 31 December 2011

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Sindicatum Carbon Capital Services Limited
Directors' Report for the year ended 31 December 2011

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2011

Business review

Principal activities

The principal activity of the Company is to provide services to Group companies in the development of projects which reduce greenhouse gas emissions, with a view to obtaining emission reduction credits under the Kyoto Protocol

Future developments

With the corporate reorganisation, services demanded of the Company by other Group companies in the current year continued to be reduced

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 20 of the financial statements

Key performance indicators ("KPI")

Given the straightforward nature of the business, the Company's directors are 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

Results and dividends

The results for the year are set out on page 4

The directors do not recommend the payment of a dividend (2010 £ nil)

Directors

The following directors have held office during the year and up to the date of signing the financial statements

A Razzouk	(resigned on 25 March 2011)
N Kelly	(appointed on 25 March 2011)
R Mackenzie-Smith	(resigned on 28 February 2012)
R Driscoll	(appointed on 28 February 2012)

Donations

The company did not make any political or charitable donations requiring disclosure within the year (2010 nil)

Third party indemnity provisions

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

Going concern

As at 31 December 2011, the Company is in a net liability position. The immediate holding corporation 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

Sindicatum Carbon Capital Services Limited
Directors' Report for the year ended 31 December 2011 (continued)

Directors' 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 fellow directors and of the Company's auditors, each of the directors who are in office at the date the directors' 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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

On behalf of the board



N Kelly
Director
21 September 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINDICATUM CARBON CAPITAL SERVICES LIMITED

We have audited the financial statements of Sindicatum Carbon Capital Services Limited for the year ended 31 December 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss and cash flows 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.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Mark Jordan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25/9/12

Sindicatum Carbon Capital Services Limited
Statement of Comprehensive Income
For the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Revenue	6	1,623,201	3,119,021
Total administrative costs	21	<u>(1,727,483)</u>	<u>(3,715,848)</u>
		(104,282)	(596,827)
Non-operating losses	9	(108,483)	-
Operating loss			
Interest receivable and similar income	14 2	63	336
Finance income / (expenses) - net	7	<u>13,525</u>	<u>(549,267)</u>
Loss on ordinary activities before taxation	8	(199,177)	(1,145,758)
Income tax expense	11	<u>-</u>	<u>-</u>
Loss for the year		<u>(199,177)</u>	<u>(1,145,758)</u>

The notes on pages 8 to 25 are an integral part of these financial statements

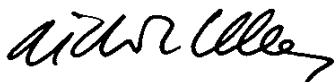
There are no other items of comprehensive income other than those shown above

Sindicatum Carbon Capital Services Limited
Statement of Financial Position
As at 31 December 2011

	Note	At 31 December 2011 £	At 31 December 2010 £
Assets			
Non-current assets			
Property, plant and equipment	10	22,539	50,367
Intangible assets	12	-	-
Investment	22	1	1
Total non-current assets		<u>22,540</u>	<u>50,368</u>
Current assets			
Trade and other receivables	13	2,985,843	260,405
Cash and cash equivalents	14 1	7,395	381,112
Total current assets		<u>2,993,238</u>	<u>641,517</u>
Total assets		<u>3,015,778</u>	<u>691,885</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Issued capital	15	500	500
Contribution from parent reserve		3,231,048	3,075,596
Accumulated losses		(5,279,538)	(5,080,361)
Total equity		<u>(2,047,990)</u>	<u>(2,004,265)</u>
Current liabilities			
Trade and other payables	16	5,063,768	2,696,150
Total current liabilities		<u>5,063,768</u>	<u>2,696,150</u>
Total equity and liabilities		<u>3,015,778</u>	<u>691,885</u>

The notes on pages 8 to 25 are an integral part of these financial statements

On Behalf of the Board



N Kelly
Director
 21 September 2012

Company Registration Number 06245343

Sindicatum Carbon Capital Services Limited
Statement of Cash Flows
For the year ended 31 December 2011

	Year ended 31 December 2011	Year ended 31 December 2010
Note	£	£
Cash flows from operating activities		
Loss for the year after tax	(199,177)	(1,145,758)
Investment revenue	(63)	(336)
Depreciation of non-current assets	28,369	40,135
Finance costs recognised in profit and loss	70,604	84,337
Expense in respect of equity-settled share-based payments	175,350	817,159
Write off of intra-group debts	(108,483)	43
Movement in working capital		
Decrease in trade and other receivables	82,505	284,559
(Decrease)/increase in related party debtors	(2,699,460)	14,279,034
Decrease in trade and other payables	(113,800)	(322,127)
Increase/(decrease) in related party creditors	2,390,916	(14,997,370)
Net cash used in operating activities	(373,239)	(960,324)
Cash flows from investing activities		
Interest received on cash and cash equivalents	63	336
Additions to property, plant and equipment	(541)	-
Net cash (used in)/generated from investing activities	(478)	336
Net decrease in cash and cash equivalents	(373,717)	(959,988)
Cash and equivalents at the beginning of the financial year	381,112	1,341,100
Cash and cash equivalents at the end of the financial year	7,395	381,112

14 1

Sindicatum Carbon Capital Services Limited
Statement of Changes in Equity
For the year ended 31 December 2011

Attributable to owners of the parent

	Share capital £	Contribution from parent reserve £	Accumulated losses £	Total £
Balance at 1 January 2010	500	2,258,437	(3,934,603)	(1,675,666)
Loss for the financial year	-	-	(1,145,758)	(1,145,758)
Total comprehensive loss for the year ended 31 December 2010	-	-	(1,145,758)	(1,145,758)
Transactions with owners				
Share-based payments expenses	-	817,159	-	817,159
Balance at 31 December 2010	500	3,075,596	(5,080,361)	(2,004,265)

	Share capital £	Contribution from parent reserve £	Accumulated losses £	Total £
Balance at 1 January 2011	500	3,075,596	(5,080,361)	(2,004,265)
Loss for the financial year	-	-	(199,177)	(199,177)
Total comprehensive loss for the year ended 31 December 2011	-	-	(199,177)	(199,177)
Transactions with owners				
Share-based payments expenses	-	155,452	-	155,452
Balance at 31 December 2011	500	3,231,048	(5,279,538)	(2,047,990)

Sindicatum Carbon Capital Services Limited
Notes to the financial statements
For the year ended 31 December 2011

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 (formerly known as Sindicatum Carbon Capital Management Pte Limited), a company incorporated in Singapore, as at 31 December 2011.

The company financial statements were authorised for issue by the Directors on 21 September 2012.

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.

Going concern

As at 31 December 2011, the Company is in a net liability position. The immediate holding corporation 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.

Statement of compliance

The financial statements have been prepared in accordance with European Union endorsed International Financial Reporting Standards and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

3. Adoption of new and revised standards

(a) Adoption of standards effective 2011

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those financial statements. No new standards or amendments to existing standards, which are effective from 1 January 2011, have been adopted by the Company.

(b) Standards, amendments and interpretations that are effective in 2011 but not relevant to the Company

- IAS 32 (Amendment), 'Financial instruments: Presentation – Classification of rights issues'. The amendment allows rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. The amendment clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially.
- IFRS 1 (Amendment), 'First-time adoption of IFRS – Limited exemption from comparative IFRS 7 disclosures for first-time adopters'. The amendment provides the same relief to first-time adopters as was given to current users of IFRSs upon adoption of the amendments to IFRS 7 and clarifies the transition provisions of the amendments to IFRS 7.
- IFRS 1 (Amendment), 'First time adoption of IFRS'. The amendment clarifies that a first-time adopter should explain changes and update reconciliations between previous GAAP and IFRS if it has published an interim financial report. It also addresses revaluation basis as deemed cost and use of deemed cost for operations subject to rate regulation.
- IFRS 3 (Amendment), 'Business combinations'. The amendment clarifies transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS, measurement of non-controlling interests, and un-replaced and voluntary share-based payment awards.
- IFRS 7 (Amendment), 'Financial instruments'. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

3. Adoption of new and revised standard (continued)

- IAS 1 (Amendment), 'Presentation of financial statements' The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements
 - IAS 27 (Amendment), 'Consolidated and separate financial statements' The amendment clarifies that the consequential amendments from IAS 27 made to IAS 21, IAS 28 and IAS 31, apply prospectively for annual periods beginning on or after 1 July 2009, or earlier when IAS 27 is applied earlier
 - IAS 34 (Amendment), 'Interim financial reporting' The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and adds disclosure requirements
- (c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company
- IFRS 7 (Amendment), 'Financial instruments Disclosures' on derecognition This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets The amendment is applicable 1 July 2011 but not yet been endorsed by the EU
 - IFRS 1 (Amendment), 'First time adoption' on fixed dates and hyperinflation The amendment replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', and provides guidance on how an entity should resume presenting financial statements after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation The amendment is applicable 1 July 2011 but not yet been endorsed by the EU
 - IAS 12 (Amendment), 'Income taxes' on deferred tax' The amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value The standard is not applicable until 1 January 2012 and has not yet been endorsed by the EU
 - IAS 1 (Amendment), 'Financial statement presentation' regarding other comprehensive income' The amendment adds a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently The standard is not applicable until 1 July 2012 and has not yet been endorsed by the EU
 - IAS 19 (Amendment), 'Employee benefits' The amendments eliminate the corridor approach and calculate finance costs on a net funding basis The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU
 - IFRS 9, 'Financial instruments' The standard simplifies the mixed measurement model and establishes two primary measurement categories for financial assets amortised cost and fair value The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU
 - IFRS 11, 'Joint arrangements' The standard presents a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU
 - IFRS 12, 'Disclosures of interests in other entities' The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU
 - IFRS 13, 'Fair value measurement' The standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

3. Adoption of new and revised standard (continued)

- IAS 27 (revised 2011), 'Separate financial statements' The revision includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10 The revision is not applicable until 1 January 2013 and has not yet been endorsed by the EU
- IAS 28 (revised 2011), 'Associates and joint ventures' The revision includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11 The revision is not applicable until 1 January 2013 and has not yet been endorsed by the EU

4 Accounting policies

Taxation

Tax expense represents the sum of the current tax and deferred tax

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

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses

The company holds a five year licence and amortises this over the period of the license with no residual value

Property, plant & equipment

Tangible Fixed Assets are recorded at cost less depreciation in accordance with the recognition criteria detailed in IAS 16, Property Plant and Equipment

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

Leasehold improvement	25% Straight Line
Plant, furniture and office equipment	between 10%-25% Straight Line
IT Equipment	25% Straight Line

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets 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)

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

Share based payments

The company operates a number of equity-settled share based compensation plans The fair value of the employee services received in exchange for the grant of the option is recognised as an expense The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at each balance sheet date, when the entity revises its estimates of the number of options that are expected to vest It recognises the impact of the revisions to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity Where an employee primarily employed by the company at the balance sheet date has share options a contribution from parent is shown to reflect the charge along with a corresponding charge in the statement of comprehensive income

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

4. Accounting policies (continued)

Foreign currency translation

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

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

The exchange rate used as at 31 December 2011 was £1 US \$1 5392

Financial instruments

Financial assets and liabilities are recognised on the Group's balances sheet when the Group becomes a party to the contractual provisions of the instrument There are no assets or liabilities classified as fair valued 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

Trade payables

Trade 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 on hand, deposits held on call with banks and other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts Bank overdrafts are shown within borrowings in current liabilities on the balance sheet Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash equivalents for the purpose of the Statement of Cash Flows

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities Revenue is shown net of value-added tax and returns

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities described below The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are 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

Share based payments

The Company's accounting policy for share based payments is stated in note 4. The fair value of equity settled share-based payments is partly determined from estimates of factors such as lapse rates and achievement of performance conditions.

Deferred tax and income taxes

Management has estimated the likely value of deferred assets in respect of trading losses. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities and assets for anticipated tax audit issues based on estimates on whether additional taxes will be due.

6. Revenue

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Revenue from the rendering of services	1,623,201	3,119,021

7. Finance income / (expenses) - net

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Interest charged by group companies	(70,604)	(84,337)
Net foreign exchange gain/(loss)	84,129	(464,930)
	13,525	(549,267)

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

8. Loss before income tax expense

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Loss for the year has been arrived at after charging		
Depreciation of tangible assets	28,369	40,135
Staff costs (see below)	1,125,950	2,595,957
Professional fees	48,542	169,927
Audit fees	16,500	38,000

8.1. Employee and directors benefits expense

Wages	813,486	1,496,962
Social security benefits	83,372	159,920
Other benefits	73,640	121,916
Equity-settled share-based payments (see Note 23)	155,452	817,159
	<u>1,125,950</u>	<u>2,595,957</u>

Directors emoluments (see Note 17)	334,420	265,212
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A charge of £72,229 was also made to the statement of comprehensive income in the year ended 2011 (2010 £72,229) for share based payments which directors principally employed by Sindicatum Carbon Capital Services Limited are beneficiaries (see Note 23) This is in addition to the directors emoluments detailed above

	Number	Number
Number of staff as at financial year end, including directors	6	15
8.2. Staff category analysis		
Executive	-	2
Business development	-	1
Climate change	-	2
Project delivery	1	2
Legal	2	2
Finance & administration	3	6
	<u>6</u>	<u>15</u>

9. Non-operating losses

During the year, the Board of Directors of the Company has deemed the intercompany debtor balance due from SCC International Limited as irrecoverable because SCC International Limited has been liquidated on 19 June 2011. As such, the Company wrote off the full amount

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

10. Property, plant and equipment

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Cost				
Balance at 1 January 2010	7,587	312,617	72,910	393,114
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December 2010	7,587	312,617	72,910	393,114

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Cost				
Balance at 1 January 2011	7,587	312,617	72,910	393,114
Additions	-	-	541	541
Disposals	-	-	-	-
Balance at 31 December 2011	7,587	312,617	73,451	393,655

Accumulated depreciation and impairment

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Balance at 1 January 2010	(1,430)	(265,019)	(36,163)	(302,612)
Depreciation	(1,897)	(14,741)	(23,497)	(40,135)
Disposals	-	-	-	-
Balance at 31 December 2010	(3,327)	(279,760)	(59,660)	(342,747)
Opening Net Book Value at 1 January 2010	6,157	47,598	36,747	90,502
Net Book Value at 31 December 2010	4,260	32,857	13,250	50,367

Accumulated depreciation and impairment

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Balance at 1 January 2011	(3,327)	(279,760)	(59,660)	(342,747)
Depreciation	(1,897)	(14,741)	(11,731)	(28,369)
Disposals	-	-	-	-
Balance at 31 December 2011	(5,224)	(294,501)	(71,391)	(371,116)
Opening Net Book Value at 1 January 2011	4,260	32,857	13,250	50,367
Net Book Value at 31 December 2011	2,363	18,116	2,060	22,539

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
11. Income tax expense		
Current tax:		
Current corporation tax charge	-	-
Factors affecting the tax charge for the year		
The tax assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK of 26% (2010 28%) The differences are explained below		
	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Loss before taxation	(199,177)	(1,145,758)
Tax on loss on ordinary activities before taxation at the standard corporation tax rate of 26% (2010 28%)	(51,786)	(320,812)
Effect of		
Non deductible expenses	45,591	228,804
Impairment charge	-	11,238
Unrecognised deferred tax asset	6,195	80,770
	51,786	320,812
Total current tax charge	-	-

There is no corporation tax arising for the year as a result of taxable loss for the year (2010 £nil) Trading losses available to be carried forward amount to £824,146 (2010 £800,319)

Factors that may affect future tax charges:

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 26 per cent from 1 April 2011 and to 25 per cent from 1 April 2012 The changes had been substantively enacted at the balance sheet date and, therefore, are included in these financial statements

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012 Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012 A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014 None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

Deferred tax assets

At the year end the company had a net potential deferred tax asset amounting to approximately £214,278 (2010 £224,089) due to timing differences between certain items for tax and accounting As the company has no history of profits, no deferred tax assets have been recognised to date

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

12. Intangible assets

	Software £	Total £
Cost		
Balance at 1 January 2010	24,497	24,497
Additions	-	-
Disposals	-	-
Balance at 31 December 2010	<u>24,497</u>	<u>24,497</u>
	Software £	Total £
Cost		
Balance at 1 January 2011	24,497	24,497
Additions	-	-
Disposals	-	-
Balance at 31 December 2011	<u>24,497</u>	<u>24,497</u>
	Software £	Total £
Accumulated amortisation and impairment		
Balance at 1 January 2010	24,497	24,497
Amortisation expense	-	-
Balance at 31 December 2010	<u>24,497</u>	<u>24,497</u>
	Software £	Total £
Accumulated amortisation and impairment		
Balance at 1 January 2011	24,497	24,497
Amortisation expense	-	-
Balance at 31 December 2011	<u>24,497</u>	<u>24,497</u>
Opening Net Book Value at 1 January 2011	<u>-</u>	<u>-</u>
Closing Net Book Value at 31 December 2011	<u>-</u>	<u>-</u>

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

13. Trade and other receivables

	Current	
	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Receivables from ultimate holding corporation (Note 24)	4,823	-
Receivables from group companies (Note 24)	2,909,928	106,808
Other receivables	13,443	46,906
Deposits	1,200	1,200
Prepayments	56,449	105,491
	2,985,843	260,405

Amounts receivable from group companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Bank of England base rate plus 2% calculated on the average balance each calendar month (see Note 24). All other receivables are payable with one year of the balance sheet date and carry no interest.

14.1 Cash and cash equivalents

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Cash and bank balances	7,395	381,112

Cash is held at a bank with a credit rating of Aa2 (2010 Aa2)

14.2 Interest received on cash balances for 2011 was kept by the Company and amounts to £63 (2010 £336)

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

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Great British Pounds	4,546	297,796
United States Dollars (GBP equivalent)	524	52,049
Euros (GBP equivalent)	2,325	31,267
Total	7,395	381,112

15. Issued capital

	Share capital	
	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Issued 50,000 (2010 50,000) fully paid ordinary shares 1p	500	500
Authorised share capital (10,000,000 (2010 10,000,000) shares of 1p)	100,000	100,000

The company has only one class of share in issue and there were no new share issues within the year

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

16. Trade and other payables

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Trade payables	6,066	50,258
Payables to immediate holding corporation (note 24)	4,567,871	2,224,575
Payables to group companies (note 24)	183,186	64,962
Other payables	281,222	272,139
Accruals	25,423	84,216
	5,063,768	2,696,150

The ageing of the trade payables at 31 December 2011 is detailed below:

Current	5,016	2,140
0-30 Days	-	47,958
31-60 Days	-	-
61-90 Days	-	-
91+ Days	1,050	160
Total	6,066	50,258

The currency split of the trade payables (in GBP equivalents) at 31 December 2011 was as follows:

	GBP	GBP
USD	-	697
GBP	5,502	49,561
SGD	564	-
Total	6,066	50,258

The loan payables to group companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Bank of England base rate plus 2% calculated on the average balance each calendar month (see Note 24).

17. Directors emoluments

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Short-term employee benefits	334,420	265,212

The highest paid director received remuneration of £219,224 within the year (2010 £163,345). Directors' emoluments comprise salary, bonus and other benefits. There were no pension contributions paid for directors requiring disclosure.

18. Contingent assets and liabilities

The Company did not have any contingent assets or liabilities as at 31 December 2011 (2010 nil)

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

19. Commitments to expenditure

At 31 December 2011 the Company had annual commitments under non-cancellable operating lease for land and buildings expiring as follows

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Within one year	31,875	127,500
Within two to five years	-	510,000
After five years	-	166,813
	<u>31,875</u>	<u>804,313</u>

20. Financial risk management

The Company carries out detailed risk management reviews to ensure that the risks are mitigated where possible. The directors believe that the company faces the following risks

(a) Fair values

For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is considered to be equal to fair value

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

(b) Credit risk

Credit risk arises on outstanding receivables from customers as well as financial instruments, cash and cash equivalents and deposits with banks and financial institutions

The Company's exposure to credit risk is in respect of receivables from customers and is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically or through dependence on individual customers at the balance sheet date

The Company monitors and manages the credit risk related to its trade receivables based on experience and customer's credit record. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

20. Financial risk management (continued)

(b) Credit risk (continued)

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

The Company holds cash and short term bank deposits with 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

None of the financial assets are past due and none are impaired.

(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 the total 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 Group's portfolio and create value for shareholders; and
- to maintain sufficient financial resources to mitigate against risks and unforeseen events

At 31 December 2011, the Company had minimal interest bearing liabilities. The Company's liquid resources are set out in the financial statements. The company is dependent for liquidity on the support of its immediate holding corporation.

(d) Interest rate risk

Liquid funds are invested primarily in British pounds, Euros and US dollars. The Company has loan receivables from and payables to group companies linked to the Bank of England base rate, which will affect the amount of net interest payable.

(e) Currency risk

British pounds, Euros, and US dollars are the primary currencies in which the Company conducts business. 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 Euro and the US dollar against the British pound. Owing to the composition of the currency of the Company's debtors and creditors as at 31 December 2011, a strengthening of the Pound against the US dollar by 1% would result in a loss for the company of approximately £388, whereas a strengthening of the Pound against the Euro by 1% would result in a profit of approximately £6,063.

(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.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

21. Expenses by nature

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Staff costs	1,125,950	2,595,957
Occupancy costs	294,254	499,810
Depreciation, amortisation and impairment charges	28,369	40,135
Marketing costs	20,952	37,472
Travel expenses	215,498	324,844
Professional fees	37,985	207,927
Other expenses	4,475	9,703
Total	<u>1,727,483</u>	<u>3,715,848</u>

These costs comprise administrative costs as reported in the statement of comprehensive income

22. Investment

Sindicatum Carbon Capital Services Limited holds one share in Sindicatum Carbon Capital India Pvt Ltd at the cost of £1 and one share in Sindicatum Carbon Capital (Thailand) Limited at the cost of THB10 (less than £1) The directors believe that the carrying value of the investments is supported by their underlying net assets

23. Share based payments

The Company participates in share option schemes operated by its ultimate parent company, Sindicatum Sustainable Resources Group Limited, formerly known as Sindicatum Carbon Capital Group Limited The share options granted to qualifying employees are shown below

At 31 December 2011, the following share based payment arrangements existed

	Year ended 31 December 2011	Year ended 31 December 2010
Number of options outstanding at year end	125,171	154,171
Exercise price of Group A share options for 2006	£0.01	£0 01
Exercise price of Group B share options for 2006	£19.05	£19 05
Exercise price of Group C share options for 2007	£20.00	£20 00
Exercise price of Group D share options for 2008	£37.50	£37 50
Method of settlement	Equity	Equity
Contractual life	10 years from grant date	

The resulting share option charge is reflected in administrative expenses and equity settled reserves

Under the Group's share option scheme, share options are granted to executive directors and to selected employees There are no performance based vesting conditions other than employees must still be in employment at the vesting date or, if not in employment at the vesting date, classified as a 'good leaver'

The average period until exercise has been made using management's best estimate of the effects of non-transferability, behaviour and market for shares of the option holders The risk free rate of return has been determined by the market yield for the most comparable UK government bonds with average exercise periods outstanding similar to that of the options

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

23. Share based payments (continued)

The expense amount recognised in the statement of comprehensive income in respect of share-based payments for the year was £155,452 (2010 £817,159) This includes the provision made for its estimate of the likely income tax and national insurance costs where it anticipates these may be incurred as a result of the share option scheme.

Details of the share option schemes movements during the year ended 31 December 2011 were as follows

	Group A		Group B		Total Quantity Group A to D
	Quantity	Price	Quantity	Price	
Outstanding at start of year	82,689	£0 01	11,813	£19 05	
Transferred during the year	(21,000)	£0 01	-	-	
Outstanding at year end	61,689	£0.01	11,813	£19.05	
	Group C		Group D		Total Quantity Group A to D
	Quantity	Price	Quantity	Price	
Outstanding at start of year	24,334	£20 00	35,335	£37 50	154,171
Transferred during the year	(6,000)	£20 00	(1,000)	£37 50	(28,000)
Lapsed	-	-	(1,000)	£37 50	(1,000)
Outstanding at year end	18,334	£20.00	33,335	£37.50	125,171

The shares options transferred are charged to the company from the parent company based on the beneficiaries being employed by the company at the year end At year end 125,171 options were exercisable (2010 154,171)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price	Year ended 31 December 2011	Year ended 31 December 2010
March 2016	£0 01	52,501	73,501
May 2016	£0 01	5,250	5,250
May 2016	£19 05	5,250	5,250
July 2016	£0 01	3,938	3,938
July 2016	£19 05	6,563	6,563
September 2017	£20 00	18,000	24,000
November 2017	£20 00	334	334
May 2018	£37 50	31,335	33,335
November 2018	£37 50	2,000	2,000
Total		125,171	154,171

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

24. Related party transactions

	Sales of services		Payments for interest and services	
	Year ended 31 December 2011 £	Year ended 31 December 2010 £	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Immediate holding corporation				
Sindicatum Sustainable Resources Management Pte Ltd (formerly known as Sindicatum Carbon Capital Management Pte Ltd)	-	-	155,141	84,337
Fellow subsidiary companies				
Sindicatum Carbon Capital Limited	67,688	803,086	-	-
Sindicatum Carbon & Energy Management Limited	1,529,486	2,271,235	-	-
Sindicatum Carbon Capital (Asia) Limited	62	18,805	-	-
Sindicatum Carbon Capital Thailand Limited	3,438	3,618	-	-
Xentolar Holdings Limited	22,185	-	-	-
Verdeo Sindicatum Corp	342	-	-	-
	1,623,201	3,096,744	155,141	84,337

All the companies formed part of the Sindicatum Sustainable Resources Group Limited

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

24. Related party transactions (continued)

	Amounts owed by Group companies		Amounts owed to Group companies	
	Year ended 31 December 2011	Year ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2010
	£	£	£	£
Ultimate holding corporation				
Sindicatum Sustainable Resources Group Limited (formerly known as Sindicatum Carbon Capital Group Limited)	4,823	-	-	-
Immediate holding corporation				
Sindicatum Sustainable Resources Management Pte Ltd (formerly known as Sindicatum Carbon Capital Management Pte Ltd)	-	-	4,567,871	2,224,575
Fellow subsidiary companies				
Sindicatum Carbon Capital Holdings Limited	3,238	-	-	-
Sindicatum Carbon Capital Limited	-	-	183,186	-
Sindicatum Carbon Capital (BVI) Limited	654	-	-	-
Sindicatum Carbon Capital India Pvt Limited	19,633	-	-	64,962
Verdeo Sindicatum Corp	10,509	-	-	-
Sindicatum Carbon & Energy Management Limited	2,711,965	-	-	-
Sindicatum Carbon Capital South East Asia Limited	61,250	-	-	-
PT Sindicatum Carbon Capital Indonesia	8,005	-	-	-
Sindicatum Carbon Technology Limited	7,436	-	-	-
Sindicatum Carbon Capital International Limited	-	106,808	-	-
Sindicatum Carbon Capital (Asia) Limited	65	-	-	-
Sindicatum Carbon Capital Thailand Limited	5,906	-	-	-
Sindicatum Carbon Capital China Limited	31,964	-	-	-
Xentolar Holdings Limited	23,702	-	-	-
Sindicatum Carbon Capital WFOE	23,765	-	-	-
Sindicatum Carbon Capital (CDM) Limited	1,836	-	-	-
	2,914,751	106,808	4,751,057	2,289,537

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

The net total amount owed or owing to Group companies carries an interest rate based on Bank of England base rate plus 2% calculated on the average balance each calendar month

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2011

25. Immediate and ultimate holding corporations

The Company's immediate holding corporation is Sindicatum Sustainable Resources Management Pte Ltd , formerly known as Sindicatum Carbon Capital Management Pte Ltd , and owns 100% of the issued share capital of the Company

The Company's ultimate holding corporation is Sindicatum Sustainable Resources Group Limited, formerly known as Sindicatum Carbon Capital Group Limited, incorporated in Cyprus