

Company Registration No. 04191186

CO2e.COM LIMITED

Report and Financial Statements

For the year ended 31 December 2005



CO2e.COM LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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CO2e.COM LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

CO2e.com Limited ('the company') provides brokerage, information and consulting services for products related to environmental markets, including Greenhouse Gases, other air pollutants, renewable energy.

The company is regulated by the Financial Services Authority ('FSA').

RESULTS AND DIVIDENDS

The retained profit for the year ended amounted to \$87,348 (2004 – loss of \$396,917) and the balance of \$87,348 was transferred to reserves..

The directors do not recommend the payment of a dividend (2004 – \$nil)

FUTURE PROSPECTS

The company has continued to make progress in its core areas of business. It is the intention of the directors to continue to expand the business in the forthcoming year.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year and to the date of this report (except where otherwise shown) were:


Mr L Amaitis	
Mr S Bartlett	(appointed 3 October 2005)
Mr S Curran	(resigned 1 February 2006)
Mr S Drummond	
Mr H W Lutnick	
Mr M Macleod	(appointed 6 February 2006)
Mr S Merkel	

The directors had no disclosable interests in the company or any UK group company at the beginning of the year, at the date of their appointment during the year or at the end of the year.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors of the company.

Approved by the Board of Directors
and signed on behalf of the Board



R M Snelling
Company Secretary
30 March 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CO2e.COM LIMITED**

We have audited the financial statements of CO2e.com Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

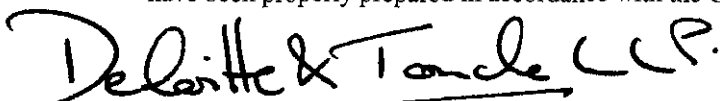
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of the profit of the company for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
30 March 2006

CO2e.COM LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2005

	Note	2005 US\$	2004 US\$
TURNOVER	2	2,048,051	710,629
Cost of sales		(1,219,305)	(708,484)
GROSS PROFIT		828,746	2,145
Administrative expenses		(721,402)	(389,687)
OPERATING PROFIT / (LOSS)	3	107,344	(387,542)
Interest payable	5	(19,996)	(9,375)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		87,348	(396,917)
Tax charge on profit/(loss) on ordinary activities	6	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITY AFTER TAXATION AND RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		87,348	(396,917)
Profit and loss account brought forward		(1,207,006)	(810,089)
Profit and loss account carried forward		(1,119,658)	(1,207,006)

The company has no recognised gains or losses for the current or prior year other than those stated above, and therefore, no separate statement of total recognised gains and losses has been presented.

All of the above activities are continuing for the current and prior year.

CO2e.COM LIMITED

BALANCE SHEET
31 December 2005

	Note	2005 US\$	2004 US\$
CURRENT ASSETS			
Investment	7	247,320	-
Debtors	8	2,209,870	1,180,821
Cash at hand or in bank		1,015,776	692,099
		<u>3,472,966</u>	<u>1,872,920</u>
CREDITORS: amounts falling due within one year	9	(1,347,623)	(1,384,925)
NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,125,343	487,995
CREDITORS: amounts falling due after one year	10	-	(350,000)
		<u>2,125,343</u>	<u>137,995</u>
CAPITAL AND RESERVES			
Called up share capital	11	3,245,001	1,345,001
Profit and loss account		(1,119,658)	(1,207,006)
EQUITY SHAREHOLDER'S FUNDS		<u>2,125,343</u>	<u>137,995</u>

This balance sheet was approved by the Board of Directors on 28 March 2006.

Signed on behalf of the Board of Directors



Mark Macleod
Director

CO2e.COM LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Year ended 31 December 2005

	2005 US\$	2004 US\$
Profit/(loss) for the financial year	87,348	(396,917)
Issue of shares	1,900,000	470,000
Net addition to shareholder's funds	1,987,348	73,083
Opening shareholder's funds	137,995	64,912
Closing shareholder's funds	<u>2,125,343</u>	<u>137,995</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principle accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Functional currency

The accounts are prepared in US Dollars which the directors believe is the currency of the primary economic environment in which the company operates.

Foreign exchange

All monetary assets and liabilities denominated in currencies other than US Dollars are translated into US Dollars at the exchange rates ruling at the balance sheet date. Transactions in currencies other than US Dollars are recorded at the average exchange rates ruling during the month that the transaction occurred. Translation differences are taken to the profit and loss account.

Cash flow statement

The company has not prepared a cash flow statement in accordance with FRS 1 (Revised) – Cash Flow Statements as it satisfies the requirements of being a small company.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Current asset investment

The current asset investment is stated at the lower of cost or net realisable value.

2. TURNOVER

The company's income is derived from a single class of business, namely providing brokerage, information and consultancy services for products related to the environmental markets. Turnover represents the commission thus earned. It is presented net of any related commission expense.

The company's turnover is generated predominantly in the UK.

3. OPERATING PROFIT/(LOSS)

The auditors' remuneration for the current and prior year has been borne by BGC International.

CO2e.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2005

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The remuneration paid to the directors of CO2e.com Limited comprised:

	2005 US\$	2004 US\$
Directors' emoluments and emoluments of the highest paid director	167,068	150,435

	2005 US\$	2004 US\$
Staff costs during the year amounted to:		
Wages and salaries	851,657	526,096
Social security costs	110,355	67,097
	<u>962,012</u>	<u>593,193</u>

Five of the directors received no remuneration (2004 - \$nil) from the company.

No directors had any entitlements in relation to the pension scheme in the current or prior year.

The average monthly number of persons (including directors) employed by the company during the current and prior year was:

	2005 No.	2004 No.
Direct operating	5	4
Other	4	6
	<u>9</u>	<u>10</u>

5. INTEREST PAYABLE

	2005 US\$	2004 US\$
Subordinated loan interest to group companies	19,996	9,375

CO2e.COM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2005**6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2005 US\$	2004 US\$
i) Analysis of tax on ordinary activities		
United Kingdom corporation tax at 30% (2004 – 30%) based on the profit/(loss) for the year	-	-

ii) Factors affecting tax charge for the current year

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

	2005 US\$	2004 US\$
Profit / (loss) on ordinary activities before tax	87,348	(396,917)
Tax at 30% thereon	(26,204)	119,075
Effects of:		
Expenses not deductible for tax purposes	(21,461)	(37,684)
Movement on short term timing differences	(58,387)	-
Creation of tax losses not utilised	106,052	(81,391)
Tax charge on profit/(loss) on ordinary activities	-	-

Deferred taxation

There is no deferred tax provision. A deferred tax asset has not been recognised in respect of timing differences relating to unused trading losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately US\$149,000 (2004: US\$283,000). The asset would be recovered if there were sufficient suitable trading profits in future years against which the losses could be offset.

CO2e.COM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2005**7. CURRENT ASSET INVESTMENT**

	Listed investments other than loans US\$
COST	
Additions in the year	858,750
At 31 December 2005	<u>858,750</u>
PROVISION	
Provision in the year	611,430
At 31 December 2005	<u>611,430</u>
NET BOOK VALUE	
At 31 December 2005	<u><u>247,320</u></u>

The current asset investment relates to 400,000 ordinary shares in KP Renewables Plc received as payment for brokerage services.

8. DEBTORS

	2005 US \$	2004 US \$
Trade debtors	1,198,185	-
Amounts owed by group companies	630,097	1,164,880
Other debtors	381,587	-
Called up share capital not paid	1	1
Prepayments	-	15,940
	<u>2,209,870</u>	<u>1,180,821</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 US \$	2004 US \$
Subordinated loan	350,000	125,000
Amounts owed to group companies	719,026	1,107,796
Other creditors	-	15,736
Accrued expenses	278,597	136,393
	<u>1,347,623</u>	<u>1,384,925</u>

The \$350,000 subordinated loan received from CO2e.com LLC is repayable on 30 December 2006, so long as the repayments do not breach FSA financial resource requirements. The interest rate charge is fixed at 5% per annum. The subordinated loan due within 12 months as at 31 December 2004 was repaid in 2005.

CO2e.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2005

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2005 US \$	2004 US \$
Amounts owed to group companies	-	350,000

11. CALLED UP SHARE CAPITAL

	2005 US \$	2004 US \$
Authorised:		
100,000,000 (2004 - 100,000,000) ordinary shares of \$1 each	100,000,000	100,000,000

	2005 US \$	2004 US \$
Called up, allotted and fully paid:		
3,245,001 (2004 - 1,345,001) ordinary share of \$1 each	3,245,001	1,345,001

During the year 1,900,000 (2004 - 470,000) ordinary shares of \$1 each were issued for a cash consideration of \$1,900,000 (2004 - \$470,000) to provide additional regulatory working capital.

12. RELATED PARTY TRANSACTIONS

As of 31 December 2005, in addition to the subordinated loan disclosed above, the intercompany balances held with related parties comprised:

	2005		2004	
	Due from US \$	Due to US \$	Due from US \$	Due to US \$
BGC International	-	443,951	-	915,694
CO2e.com Australia pty Limited	-	-	-	7,953
CO2e.com LLC	629,507	-	1,164,106	-
BGC Capital Markets, LP	-	3,891	774	-
Cantor Fitzgerald Europe	590	-	-	-
BGC International LP	-	11,511	-	-
eSpeed International Limited	-	259,673	-	184,149
	630,097	719,026	1,164,880	1,107,796

During the year ended 31 December 2005, the value of commissions payable to and receivable from those related parties comprised:

	Year ended 31 December 2005		Year ended 31 December 2004	
	Commission receivable US\$'000	Commission payable US\$'000	Commission receivable US\$'000	Commission payable US\$'000
eSpeed International Limited	-	484	-	-

The balances due to related parties have arisen from revenue and expenses recharged to the company from these parties during the year. There are no other related party transactions or balances that require disclosure under FRS 8.

CO2e.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2005**

13. REGISTERED OFFICE

The registered office of CO2e.com Limited is One America Square, London, EC3N 2LS. The company is incorporated in Great Britain and registered in England and Wales.

14. PARENT COMPANIES

The immediate parent company is CO2e.com LLC, a company registered in the United States of America and the smallest group into which the accounts of CO2e.com Limited is consolidated. The ultimate parent, controlling party and the largest group into which the accounts of CO2e.com Limited are consolidated is Cantor Fitzgerald L.P., a limited partnership registered in the United States of America.