energy • environment • innovation

CantorCO2e Limited
One Churchill Place
London
E14 5RD

Annual Report and Financial Statements

For the year ended 31 December 2007

Company Registration No 04191186

REPORTS AND FINANCIAL STATEMENTS 2007

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DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 2007

The directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985

PRINCIPAL ACTIVITIES

The principal activities of the company are to provide brokerage, information and consulting services for products related to environmental markets, including Greenhouse Gases, other air pollutants and renewable energy

BUSINESS REVIEW

The company made an operating loss for the year of US$ 2 3m (2006 – loss of US$ 3 4m) The retained loss for the year of US$ 2 5m (2006 – loss of US$ 3 6m) was transferred to reserves

CantorCO2e Limited is managed along three principle business lines the EU Brokerage Division, CDM Agent Revenues and Other Markets

EU Brokerage Division

The desk's principle business involves brokering deals through the European Emissions Trading Scheme (EU ETS) The EU ETS is a mandatory compliance programme for large emitters in the 25 European Union Member States, making it the largest corporate emissions trading scheme in the world

About two billion European Allowances (EUAs) are issued each year to included companies, which establishes a cap on the total aggregate emissions from these companies To comply with their obligations, capped companies may either reduce their emissions and sell surplus EUAs or instead buy EUAs (or CERs or ERUs) in the marketplace Market players include large greenhouse gas emitters from the power sector and industry, banks, hedge funds and other traders

The EU Brokerage Division provides voice and electronic execution to traders, market access for compliance buyers, and vital market information

Revenue generated by the EU Brokerage Division in 2007 amounted to US$ 2 4m

CDM Agent Revenues

The Clean Development Mechanism (CDM) is the element of the Kyoto Protocol that creates credits in the form of Certified Emission Reductions (CERs) from emission abatement projects in developing countries CERs can be used for compliance in the EU ETS and other national schemes, such as in

DIRECTORS' REPORT (CONTINUED)

Canada and Japan Project development and advisory work is carried out by local CantorCO2e offices around the world and the resulting credits are sold into the EU market by the EU desk

In addition to its direct offices, the CantorCO2e group has agency/introducing broker agreements with agents in different parts of the world These agents carry out the work in-country, but the contractual relationship with the client (and hence the billing) is entered into by CantorCO2e Limited, or CantorCO2e LLC, depending on the preference of the client for English or American law The revenue from these deals are shared between CantorCO2e and the agent

The net revenue generated through CDM agents was US$ 1 1m in 2007

Other Markets

Other revenue streams include marketing to buyers of renewable energy on behalf of renewable energy project developers in the UK, and acting as an introducing broker for spot sales of verified emission reduction units (VERs) which are purchased by companies wishing to improve their environmental image

Revenue generated by these other streams in 2007 amounted to US$ 0 4m

Principal Risks & Uncertainty

The principal risks facing CantorCO2e Limited arise from

- competition from other brokerage and financial services firms
- changes to environmental legislation
- changes to national and international emission trading schemes
- inability to continue to attract and retain highly skilled staff

Expected Future Developments

The EU Brokerage Division anticipates an increasing supply of CERs sourced by the international offices for sale to European clients It is also planning to launch a new auction platform for CERs, and a trading system designed to appeal to small and mid-cap companies Agency revenues are expected to remain consistent, and spot sales of VERs are expected to increase

RESULTS AND DIVIDENDS

The retained loss for the year amounted to US$ 2,480,038 The directors do not recommend the payment of a dividend (2006 – nil)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The directors, who served throughout the year except as noted, were as follows

Mr L Amaitis	(Resigned 19 October 2007)
Mr S Bartlett	
Mr S Drummond	
Mr H W Lutnick	
Mr M Macleod	(Resigned 22 January 2007)
Mr D Barnard	(Appointed 22 January 2007)
Mr S Merkel	
Mr N Price	(Appointed 22 October 2007)
Mr L Rose	(Appointed 19 October 2007)

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

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of US$ 512 (2006 US$ 13,220)

AUDITORS

Each of the persons who are a director at the date of approval of this report confirms that

1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

2) the director 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 auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors The company has elected to appoint auditors annually and accordingly D&T LLP shall be deemed to be reappointed as auditors for a further term under the provisions of s386(2) of the Companies Act 1985

Approved by the Board and signed on its behalf by

Nicholas Price
Chief Financial Officer
31 March 2008

One Churchill Place
London
E14 5RD

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the annual report & 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- 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 that 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 1985 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTORCO2E LIMITED

We have audited the financial statements of CantorCO2e Limited for the year ended 31 December 2007 which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet, the combined statement of movements in shareholders' funds and statement of movements in reserves and the related notes 1 to 17 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements In addition we report to you if, in our opinion, 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 and consider the implications for our report if we become aware of any apparent misstatements within it

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 judgments 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 the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, England
31 March 2008

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2007

	NOTE	2007 US $	2006 US $
TURNOVER	2	**3,946,009**	**3,176,050**
Cost of sales		(5,025,550)	(3,007,353)
GROSS (LOSS) / PROFIT		**(1,079,541)**	**168,697**
Administrative expenses		(1,225,837)	(3,595,580)
Foreign exchange loss		(12,028)	-
OPERATING LOSS	3	**(2,317,406)**	**(3,426,883)**
Interest expense	6	(162,632)	(130,160)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(2,480,038)**	**(3,557,043)**
Tax charge on loss on ordinary activities	7	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE FINANCIAL YEAR		**(2,480,038)**	**(3,557,043)**

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2007

	NOTE	2007 US $	2006 US $
Loss attributable to shareholders of the company		(2,480,038)	(3,557,043)
Total recognised gains and losses for the year		**(2,480,038)**	**(3,557,043)**
Prior year adjustment	4	-	77,678
Total recognised gains and losses since last annual financial report		**(2,480,038)**	**(3,479,365)**

BALANCE SHEET
As at 31 December 2007

	NOTE	2007 US $	2006 US $
FIXED ASSETS			
Investments	8	2	-
		2	-
CURRENT ASSETS			
Investments	9	461	-
Debtors	10	2,001,697	1,362,418
Cash at hand or in bank		4,065,306	3,262,464
		6,067,464	4,624,882
CREDITORS amounts falling due within one year	11	(3,613,527)	(1,170,354)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,453,939	3,454,528
CREDITORS amounts falling due after one year	12	-	(2,272,500)
		2,453,939	**1,182,028**
CAPITAL AND RESERVES			
Called up share capital	13	9,495,001	5,745,001
Retained earnings		(7,041,062)	(4,562,973)
SHAREHOLDERS' FUNDS		**2,453,939**	**1,182,028**

This balance sheet was approved by the Board of Directors on 31 March 2008

Signed on behalf of the Board of Directors

Nicholas Price
Chief Financial Officer

COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS FUNDS & STATEMENT OF MOVEMENTS IN RESERVES

	NOTE	Share Capital 2007 US $	P&L Account 2007 US $	Total 2007 US $	Total 2006 US $
As at 01 January		**5,745,001**	**(4,562,973)**	**1,182,028**	**2,203,021**
Issue of Shares		3,750,000	-	3,750,000	2,500,000
Capital Contribution from Parent	1, 14	-	1,949	1,949	36,050
Retained Loss for the year		-	(2,480,038)	(2,480,038)	(3,557,043)
As at 31 December		**9,495,001**	**(7,041,062)**	**2,453,939**	**1,182,028**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards They have all been applied consistently throughout the year and the preceding year

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

Share Based Compensation

From time to time certain employees of the company have been compensated with Partnership Units in Cantor Fitzgerald LP ("CFLP"), known as Grant Units

An expense is recognised through the profit and loss account based on the fair value of all awards outstanding at the accounting reference date Adjustments are made to account for the likelihood the Grant holder will fulfil the vesting conditions

A corresponding Capital contribution is made to the Profit & Loss Reserve Account, on the basis the company will not reimburse CFLP for the costs associated with vesting of these awards

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 on the value of services supplied by the company, exclusive of value added tax, in respect of its operations carried out during the year

Consulting Services

Sales of services are recognised in the accounting period in which the services are rendered

Agent Transactions

Revenue is recognised when the service has been rendered and the level of commission receivable by the company is fixed and determinable

3. OPERATING LOSS

The Operating Loss in 2006 of US$ 3,426,883 is after a provision for a doubtful debt totalling US$ 1,433,232

The auditors' remuneration for the current year was US$ 32,106 In prior years the cost has been borne by BGC International

4 PRIOR PERIOD ADJUSTMENT

During 2006, the company invoiced and received payment for revenue that related to 2005 but that had not been recognised in the 2005 financial statements

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The remuneration paid to the directors of CantorCO2e Limited comprised

	2007	2006
	US $	US $
Directors' emoluments and emoluments of the highest paid director	**226,322**	**379,054**

	2007	2006
	US $	US $
Staff costs during the year amounted to		
Wages and salaries	2,271,771	1,353,759
Social security costs	282,381	169,085
	2,554,152	**1,522,844**

Six of the directors received no remuneration (2006 - US$ nil) from the company

No directors had any entitlements in relation to a 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

	2007	2006
	No	No
Direct Operating	10	10
Other	5	5
	15	**15**

6 INTEREST EXPENSE

	2007	2006
	US $	US $
Subordinated loan interest to group companies	160,650	122,713
Other	1,982	7,447
	162,632	**130,160**

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2007 US $	2006 US $
i) Analysis of tax on ordinary activities		
United Kingdom corporation tax at 30% (2006 – 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% (2006 30%) The differences are explained below -

	2007 US $	2006 US $
Loss on ordinary activities before tax	(2,480,038)	(3,557,043)
Tax at 30% thereon	744,011	1,067,113
Effects of		
Expenses not deductible for tax purposes	(20,963)	(328,743)
Depreciation in excess of capital allowances	(1,496)	
Other short term timing differences	1,306	(10,815)
Exchange difference arising on opening/closing amounts of gross timing differences	19,028	-
Unrelieved tax losses and other deductions arising in the period	(741,886)	(727,555)
Current tax charge for period	-	-

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 and capital allowances in excess of depreciation, as there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is approximately US$ 1,958,209 (2006 – US$ 879,051) The asset would be recovered if there were sufficient trading profits in the future years against which the losses could be offset

8. FIXED ASSET INVESTMENT

	2007	2006
	US $	US $
COST		
As at 01 January 2007	-	-
Investment in subsidiary CantorCO2e (India) Private Ltd	2	-
As at 31 December 2007	2	-
NET BOOK VALUE		
As at 31 December 2006	-	-
As at 31 December 2007	2	-

CantorCO2e Limited holds a nominal investment in CantorCO2e (India) Pvt Ltd of 10 ordinary shares Each share is worth a nominal value of 10 Indian Rupees Total cost being 100 Indian Rupees, equating to ownership of 0 0065% at 31 December 2007

9. CURRENT ASSET INVESTMENT

	2007
LISTED INVESTMENTS OTHER THAN LOANS	**US $**
COST	
As at 01 January 2007	687,000
KP Renewables – Disposal of shares per capital reorganisation	(687,000)
Investment in Island Gas PLC	461
As at 31 December 2007	**461**
PROVISION	
As at 01 January 2007	687,000
Utilisation of provision	(687,000)
As at 31 December 2007	-
NET BOOK VALUE	
As at 01 January 2007	-
As at 31 December 2007	**461**

The current asset investment relates to shares in KP Renewables PLC ("KPR") received as part payment for brokerage services rendered

The trading of KPR shares on AIM were suspended on 21 September 2006 pending the clarification of the company's financial position and on that basis the Directors of CantorCO2e Limited believed that the net realisable value from the investment will be US$ nil

KP International the parent of KPR provided a 'top-up' guarantee on the KPR shares, agreeing to make up the difference between the realised value of the shares and their initial issue price

The shortfall from the write down of the shares in 2005 and 2006 was taken to trade debtors as the agreement requires KPI to cover any shortfall During 2006 management took a full provision against this debtor as there are doubts to its recoverability based on the above facts

In 2007 the provision against the trade debtor and investment was fully utilised

On 11th April 2007 KP Renewables sought and obtained shareholder approval for a capital reorganisation in the form of a 20 1 share split At that point, CantorCO2e Ltd held 320,000 ordinary shares Post the corporate action CantorCO2e Ltd held 16,000 ordinary shares in KP Renewables

At an EGM held on 27 December 2007 KP Renewables PLC received approval from its shareholders to change the company name to 'Island Gas Resources PLC' and consolidate 50 ordinary shares in KP Renewables PLC into 1 ordinary share in the new company Island Gas Resources At 31 December 2007 CantorCO2e Ltd held 320 ordinary shares in Island Gas Resources PLC They were trading at a mid-price of 72 5p, leading to an investment value at year end of £232 (USD$ 461)

10 DEBTORS

	2007 US $	2006 US $
Trade debtors	593,363	790,889
Amounts owed by group companies	1,380,338	264,823
Other debtors	27,077	293,806
Prepayments and accrued income	919	12,900
	2,001,697	**1,362,418**

11. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 US $	2006 US $
Subordinated loan		
From 25/07/06 until 25/07/08	1,500,000	-
Amounts owed to group companies	1,277,648	636,131
Accruals and deferred income	835,879	534,223
	3,613,527	**1,170,354**

CantorCO2e Limited has a Subordinated Loan with CFLP The interest rate charged on the loan is based on 6 month USD LIBOR + 2%

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2007 US $	2006 US $
Subordinated loans		
From 25/07/06 until 25/07/08	-	1,500,000
From 21/02/06 until 21/02/08	-	750,000
Deferred income	-	22,500
	-	**2,272,500**

The USD$ 750,000 Subordinated Loan between CantorCO2e Limited and CFLP was repaid in May 2007

13. CALLED UP SHARE CAPITAL

	2007	2006
	US $	US $
AUTHORISED		
100,000,000 (2006 – 100,000,000) Ordinary Shares of $1 each	100,000,000	100,000,000
CALLED UP, ALLOTTED AND FULLY PAID		
9,495,001 (2006 – 5,745,001) Ordinary Shares of $1 each	9,495,001	5,745,001

On 25 May 1,750,000 ordinary shares of $1 each were issued to CantorCO2e LLC for a cash consideration of USD$ 1,750,000 to provide additional regulatory capital

On 30 October 1,000,000 ordinary shares of $1 each were issued to CantorCO2e LLC for a cash consideration of USD$ 1,000,000 to provide additional regulatory capital

On 14 December 1,000,000 ordinary shares of $1 each were issued to CantorCO2e LLC for a cash consideration of USD$ 1,000,000 to provide additional regulatory capital

14 SHARE BASED COMPENSATION

From time to time certain employees of the Company have been compensated with Partnership Units in Cantor Fitzgerald LP ("CFLP"), known as Grant Units

Grant Units entitle the holder to participate in quarterly distributions of income by CFLP and receive post-termination payments equal to the notional value of the award in four equal instalments on the first, second, third and fourth anniversary of the employees termination, provided that the employee has not engaged in any competitive activity with CFLP or its affiliates prior to each payment date

The following table discloses movements in Grant awards held by employees during the year

Outstanding 01 January 2007	Granted during the period	Forfeited during the period	Vested during the period	Outstanding 31 December 2007
2,105	-	-	-	2,105

Weighted average unit price US$ 47 50

The fair value of the Grant awards is determined using a fair value model and uses the following key assumptions

		2007	2006
Discount Rate		4 03%	4 71%
Forfeiture Rate		40%	40%
Paid termination rate		2%	2%
Retirement age (years)		55	55

The company recognised a total expense of US$ 1,949 for the year to 31 December 2007 (2006 US$ 36,050) in relation to the Grant Units

The company has recorded a capital contribution of US$ 37,999 as at 31 December 2007 (2006 US$ 36,050) on the basis that the company is not required to reimburse CFLP for the costs associated with the vesting of these awards

15. RELATED PARTY TRANSACTIONS

The intercompany balances held with related parties comprised

	31 December 2007		31 December 2006	
	Due from	Due to	Due from	Due to
	US $	US $	US $	US $
BGC Brokers LP		4,438		
BGC Capital Markets LP				4,450
BGC International LP		762,689	188,642	
BGC International	45,837			168,511
BGC Partners (Australia) Pty Ltd		44,089		
Cantor Fitzgerald Europe	174,405		8,571	
Cantor Fitzgerald (HK) Capital Markets Ltd	5,413			
Cantor Fitzgerald LP		153,988		109,968
Cantor Fitzgerald Securities		3,807		
Cantor Index Limited	14,639			
CantorCO2e LLC	179,305			353,202
CantorCO2e (Canada) Co	359,091		51,182	
CantorCO2e (India) Holdings Pvt Ltd		3		
CantorCO2e (India) Pvt Ltd	201,554			
Climate Warehouse UK Ltd	170,892			
eSpeed International Ltd	229,202		16,321	
ETC Pollak			107	
Tower Bridge International Services LP		308,634		
	1,380,338	**1,277,648**	**264,823**	**636,131**

During the years ended 31 December 2007 and 2006, the net value of charges payable to and receivable for the following transactions from those related parties comprised

Service arrangements	2007 Paid US $	2006 Paid US $
BGC International	-	1,521,062
Tower Bridge International Services LP	1,870,454	-
eSpeed International Limited	671,268	592,270
	2,541,722	**2,113,332**

Included above are recharged costs for support services recharged by Tower Bridge Int Services LP as the service company to commonly controlled European trading companies Also included are costs recharged by eSpeed International Limited for the provision of its electronic trading platform and IT support services

CO2e administration recharge	2007 Due from US $	2006 Due from US $
CantorCO2e (Canada) Co	80,622	-
CantorCO2e LLC	161,243	-
CantorCO2e (India) Pvt Ltd	201,554	
Climate Warehouse UK Ltd	120,932	
	564,351	**-**

During 2007, CantorCO2e Limited had been absorbing all corporate costs associated with the management of the businesses above Based on agreed allocation methodology an administrative recharge has been booked to allocate these costs from CantorCO2e Limited to other businesses under common management and control The effect of this is shown above

Subordinated Loans	2007 Paid US $	2006 Paid US $
CFLP	160,650	97,344
CantorCO2e LLC	-	25,368
	160,650	**122,712**

The above represents interest paid and accrued on subordinated loan arrangements (see note 6)

Mr Steve Drummond, a Director and shareholder in the company, was a non-executive Director of KP Renewables as at 31 December 2006 At the company's AGM on 11th April 2007 Steve Drummond stood down as a non-executive director of KPR

16 REGISTERED OFFICE

The registered office of CantorCO2e Limited is One Churchill Place, London, E14 5RD The company is incorporated in Great Britain and registered in England and Wales

17 PARENT COMPANIES

The immediate parent company is CantorCO2e LLC, a company registered in the United States of America and the smallest group into which the accounts of CantorCO2e Limited are consolidated The ultimate parent, controlling party and the largest group into which the accounts of CantorCO2e Limited are consolidated is Cantor Fitzgerald L P , a limited partnership registered in the United States of America