

Company Registration No 04191186

CANTORCO²e

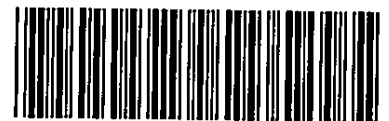
energy • environment • innovation

CantorCO2e Limited
One Churchill Place
London
E14 5RD

Annual Report and Financial Statements

For the year ended 31 December 2009

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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 2009

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

CantorCO2e Limited is regulated by the Financial Services Authority

BUSINESS REVIEW

The company made an operating profit for the year of US\$ 0.9m (2008 – loss of US\$ 2.4m). The retained profit for the year of US\$ 0.9m (2008 – loss of US\$ 2.4m) was transferred to reserves.

CantorCO2e Limited is principally operated as a broker both on a name give-up agency basis, and on a matched principal basis (through Cantor Fitzgerald Europe) in its EU Brokerage Division and also maintains limited exposure to Clean Development Mechanism (CDM) brokerage and services Revenues and certain other markets

EU Brokerage Division

The desk's principal business involves brokering deals through the European Union Emissions Trading Scheme (EU ETS). The EU ETS is a mandatory compliance programme for large emitters in the 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, Certified Emission Reductions (CERs) or Emission Reduction Units (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.

CDM Revenues

CDM is the element of the Kyoto Protocol that creates credits in the form of CERs from emission abatement projects in developing countries. CERs can be used for compliance in the EU ETS and other national schemes. Project development, advisory and technical services work is carried out by affiliates of CantorCO2e Limited around the world and the resulting credits are generally sold into the EU market (and other markets) by the EU Brokerage Division.

DIRECTORS' REPORT (CONTINUED)

In addition to its direct offices, the affiliated 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 one of its affiliate companies.

Cost Restructuring

In 2009 and continuing into 2010, in response to and in anticipation of ongoing general economic and industry specific market challenges, CantorCO2e Limited has restructured its fixed operating cost base in the EU brokerage division and also materially reduced its exposure to CDM and alternate markets.

Principal Risks & Uncertainties

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

Expected Future Developments

The EU Brokerage Division believes it is appropriately positioned to confront ongoing general economic and industry specific commercial challenges. Global environmental legislation is evolving as the Kyoto protocol is scheduled to expire in 2012 and currently international efforts have not identified a binding successor to Kyoto which can create uncertainties in the EU ETS and CDM markets.

DIRECTORS' REPORT (CONTINUED)

Going Concern

The Company's business activities, together with factors likely to affect its future development and position are set out in the business review and future developments section of the director's report on page 1-2

The company has sufficient resources to continue its regular trading activity for the foreseeable future. Though the Company participates in the group's centralised treasury arrangement, it has its own operational cash flow and banking facilities and so it is not operationally reliant on the group.

The directors of the Company have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

RESULTS AND DIVIDENDS

The retained profit for the year amounted to US\$ 885,304 (2008 Loss US\$ 2,379,659). The directors do not recommend the payment of a dividend (2008 – nil).

DIRECTORS

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

Mr G Sadler	(Appointed 24 April 2009)
Mr S Drummond	(Resigned 24 April 2009)
Mr H W Lutnick	
Mr D Barnard	
Mr S Merkel	
Mr N Price	(Resigned 23 January 2009)
Mr L Rose	
Mr M Cooper	(Appointed 07 January 2009)

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\$ nil (2008 US\$ 10,906).

DIRECTORS' REPORT (CONTINUED)

AUDITORS

Each person who is 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 s418 of the Companies Act 2006

Ernst & Young LLP have expressed their willingness to continue in office as auditors. The company has elected to dispense with the obligation to appoint auditors annually and accordingly Ernst & Young LLP shall be deemed to be reappointed as auditors for a further term under the provisions of s485 of the Companies Act 2006

Approved by the Board and signed on its behalf by

A. I. Sadler
Anthony Graham Sadler
27 April 2010

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 company's financial statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, a Combined Statement of Movements in Shareholder's Funds and Statement of Movement in Reserves, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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.

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 account 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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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

Ernst & Young LLP

David Canning Jones (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,

London

29 April 2010

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2009

	NOTE	2009 US \$	2008 US \$
TURNOVER	2	5,825,261	2,724,765
Cost of sales		(2,211,928)	(3,260,371)
GROSS PROFIT / (LOSS)		3,613,333	(535,606)
Administrative expenses		(2,648,308)	(1,980,252)
Foreign exchange (loss) / gain		(37,208)	149,163
OPERATING PROFIT / (LOSS)	3	927,817	(2,366,695)
Unrealised profit / (loss) on investment held for sale	9	153	(286)
Interest income	4	8,427	76,360
Interest expense	5	(51,093)	(89,038)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		885,304	(2,379,659)
Tax charge on profit / (loss) on ordinary activities	6	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE FINANCIAL YEAR		885,304	(2,379,659)

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

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

BALANCE SHEET

As at 31 December 2009

	NOTE	2009 US \$	2008 US \$
FIXED ASSETS			
Investments	8	2	2
		<u>2</u>	<u>2</u>
CURRENT ASSETS			
Investments	9	328	175
Debtors	10	209,549	983,716
Cash at hand or in bank		5,103,341	3,990,626
		<u>5,313,218</u>	<u>4,974,517</u>
CREDITORS amounts falling due within one year	11	(3,183,620)	(2,230,223)
NET CURRENT ASSETS		<u>2,129,598</u>	<u>2,744,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,129,600</u>	<u>2,744,296</u>
CREDITORS amounts falling due after one year	12	-	(1,500,000)
		<u>2,129,600</u>	<u>1,244,296</u>
CAPITAL AND RESERVES			
Called up share capital	13	10,495,001	10,495,001
Retained earnings		(8,365,401)	(9,250,705)
SHAREHOLDERS' FUNDS		<u>2,129,600</u>	<u>1,244,296</u>

This balance sheet was approved by the Board of Directors on 27 April 2009

Signed on behalf of the Board of Directors

A / Sadler
 Anthony Graham Sadler

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

	Share Capital	P&L Account	Total	Total
	2009	2009	2009	2008
	US \$	US \$	US \$	US \$
As at 01 January	10,495,001	(9,250,705)	1,244,296	2,623,955
Issue of Shares	-	-	-	1,000,000
Retained profit / (loss) for the year	-	885,304	885,304	(2,379,659)
As at 31 December	10,495,001	(8,365,401)	2,129,600	1,244,296

CASH FLOW STATEMENT

Year ended 31 December 2009

	NOTE	2009 US \$	2008 US \$
Net cash inflow / (outflow) from operating activities		1,905,382	(1,062,002)
Return on investments and servicing of finance			
Interest received		8,427	76,360
Subordinated loan interest paid		(51,086)	(89,038)
Other interest paid		(7)	-
Net cash inflow / (outflow) from return on investments and servicing of finance		1,862,715	(12,678)
Cash inflow / (outflow) before financing		1,862,715	(1,074,680)
Financing			
Issue of shares		-	1,000,000
Subordinated loans repaid		(750,000)	-
Increase / (decrease) in cash in the year	16&17	1,112,715	(74,680)

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Year ended 31 December 2009

	2009 US \$	2008 US \$
Operating profit / (loss)	927,817	(2,366,695)
Decrease in debtors	774,167	1,073,573
Increase in creditors	203,398	231,120
Net cash inflow / (outflow) from operating activities	1,905,382	(1,062,002)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

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 principal 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 prepared a cash flow statement in accordance with FRS 1.

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 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.

Interest Payable

The interest expense recognised in the income statement is accrued on a time basis by reference to the principal amount charged at the effective rate applicable. Issue costs are included in the determination of the effective interest rates.

Segmental Reporting

The company has not presented segmental information as, in the opinion of the directors, it would be seriously prejudicial to the interests of the company to do so.

Share Based Compensation

From time to time, Cantor Fitzgerald, L.P. ("CFLP") awards certain employees of the company grant units in CFLP. Grant units entitle the employees to participate in quarterly distributions of CFLP's income and to receive certain post-termination payments.

Adjustments are made to the fair value of all awards outstanding at the accounting reference date to account for the likelihood that the grant unit holder will fulfil the vesting conditions.

Prior to 1 January 2008, an expense was recognised through the profit and loss account and a corresponding capital adjustment was made to the profit and loss reserve account on the basis that the company would not re-imburse CFLP for the costs associated with the issuance of these awards. From 1 January 2008, an expense has been recognised through the profit and loss account based on the adjusted fair value with a corresponding increase in the company's intercompany liability to CFLP as the company now reimburses CFLP for the costs associated with the issuance of the awards.

Pensions

The company operates a defined contribution scheme for certain UK employees as determined by their contracts of employment. Contributions are charged to the profit and loss account as they are incurred. The company provides no other post retirement benefits to its employees. There were no outstanding contributions payable to the scheme by the company as at 31 December 2009.

Fixed asset investment

The fixed asset investment is held at cost. The investment is not publicly traded and a fair value for this is not readily measurable.

Current asset investment

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

Going concern

The Company's business activities, together with factors likely to affect its future development and position are set out in the business review and future developments section of the director's report on page 1-2

The company has sufficient resources to continue its regular trading activity for the foreseeable future. Though the Company participates in the group's centralised treasury arrangement, it has its own operational cash flow and banking facilities and so it is not operationally reliant on the group.

The directors of the Company have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 PROFIT / (LOSS)

The Operating Profit in 2009 was USD\$ 927,817 (2008 Loss USD\$ 2,366,695)

The auditors' remuneration of USD\$ 16,177 (2008 USD\$ 25,945) has been borne by an associated group company and subsequently recharged to the company.

4. INTEREST INCOME

Interest income on bank funds and deposits during 2009 was US\$ 8,427 (2008 US\$ 76,360)

5. INTEREST EXPENSE

	2009	2008
	US \$	US \$
Subordinated loan interest to group companies	51,086	89,033
Other	7	5
	<u>51,093</u>	<u>89,038</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	US \$	US \$
<i>i) Analysis of tax on ordinary activities</i>		
United Kingdom corporation tax at 28 % (2008 28 5%)	-	-
based on the profit / (loss) for the year	<u> </u>	<u> </u>

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 28% (2008 28 5%) The differences are explained below -

	2009	2008
	US \$	US \$
Profit / (loss) on ordinary activities before tax	<u>885,304</u>	<u>(2,379,659)</u>
Tax at 28% (2008 28 5%) thereon	(247,885)	678,203
Effects of		
Expenses not deductible for tax purposes	(15,993)	(56,403)
Depreciation in excess of capital allowances	2,289	(3,221)
Other short term timing differences	(43,159)	21,493
Exchange difference arising on opening/closing amounts	-	(136,586)
of gross timing differences		
Unrelieved tax losses and other deductions arising in the	304,748	(503,486)
period	<u> </u>	<u> </u>
Current tax credit / (charge) for period	<u> </u>	<u> </u>

Deferred Taxation

There is no deferred tax provision. A deferred tax asset has not been recognised in respect of timing differences relating to unutilised 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\$ 2,088,240 (2008 – US\$ 1,781,909). The asset would be recovered if there were sufficient trading profits in the future years against which the losses could be offset.

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The remuneration paid to the directors of CantorCO2e Limited comprised

	2009	2008
	US \$	US \$
Directors' emoluments	337,744	541,553
Emoluments of highest paid director	250,901	359,685

	2009	2008
	US \$	US \$

Staff costs during the year amounted to

Wages and salaries	1,472,673	1,745,982
Social security costs	157,240	192,780
	1,629,913	1,938,762

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

	2009	2008
	No	No
Direct Operating	6	10
Other	6	7
	12	17

8. FIXED ASSET INVESTMENT

	2009	2008
	US \$	US \$
COST		
As at 1 January	2	2
As at 31 December	2	2
NET BOOK VALUE		
As at 31 December	2	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 0.00078% at 31 December 2008.

9. CURRENT ASSET INVESTMENT

	2009
	US \$
LISTED INVESTMENTS OTHER THAN LOANS	
COST	
As at 1 January	461
	<hr/>
As at 31 December	461
PROVISION	
As at 1 January	(286)
Reversal of previous impairment	153
	<hr/>
As at 31 December	(133)
NET BOOK VALUE	
As at 1 January	175
	<hr/>
As at 31 December	328
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At 31 December 2009 CantorCO2e Ltd held 320 ordinary shares in Island Gas Resources PLC. They were trading at a bid-price of 63.5p, leading to an investment value at year end of £203.2 (USD\$ 328.14).

A provision at year end has been made to reflect the market value of this asset at 31 December 2009.

10. DEBTORS

	2009	2008
	US \$	US \$
Trade debtors	125,569	345,677
Amounts owed by group companies	58,503	449,112
Other debtors	19,176	188,797
Prepayments and accrued income	6,301	130
	<u>209,549</u>	<u>983,716</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	US \$	US \$
Amounts owed to group companies	2,046,874	1,470,550
Accruals and deferred income	386,746	759,673
Subordinated loans	750,000	-
	<u>3,183,620</u>	<u>2,230,223</u>

CantorCO2e Limited has a subordinated loan with CFLP for \$750,000. The loan runs from 26th July 2008 to 25th July 2010. The interest rate charged on the loan is based on 6 month USD LIBOR + 2%.

12. CREDITORS' AMOUNTS FALLING DUE AFTER ONE YEAR

	2009	2008
	US \$	US \$
Subordinated loans	-	1,500,000
	<u>-</u>	<u>1,500,000</u>

CantorCO2e Limited has a subordinated loan with CFLP, the loan runs from 26th July 2008 to 25th July 2010. The interest rate charged on the loan is based on 6 month USD LIBOR + 2%. The subordinated loan is classified as qualifying capital for Financial Services Authority financial resources requirement.

In December 2009, having notified the FSA, the board made early repayment of \$750,000 in cash to CFLP.

13. CALLED UP SHARE CAPITAL

	2009	2008
	US \$	US \$
AUTHORISED		
100,000,000 (2008 – 100,000,000)		
Ordinary Shares of \$1 each	<u>100,000,000</u>	<u>100,000,000</u>
 CALLED UP, ALLOTTED AND FULLY PAID		
10,495,001 (2008 – 10,495,001)		
Ordinary Shares of \$1 each	<u>10,495,001</u>	<u>10,495,001</u>

14. SHARE BASED COMPENSATION

From time to time, CFLP awards certain employees of the company in the form of grant units in CFLP

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 anniversaries of the employee's termination, provided that the employee has not engaged in any competitive activity with CFLP or its affiliates prior to each payment date

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

	2009	2008
Discount Rate	3.85%	2.96%
Forfeiture Rate	40%	40%
Paid termination rate	2%	2%
Retirement age (years)	55	55

The company recognised a total expense of US\$ 108,776 for the year to 31 December 2009 (2008 US\$ 34,983) in relation to the Grant Units

The company has a cumulative capital contribution of US\$ 10,209 as at 31 December 2009 (2008 US\$ 10,209)

15. RELATED PARTY TRANSACTIONS

The intercompany balances held with related parties comprised

	31 December 2009		31 December 2008	
	Due from	Due to	Due from	Due to
	US \$	US \$	US \$	US \$
BGC Brokers LP	686	-	-	40,806
BGC Brokers US LP	-	-	-	935
BGC European Holdings LP	24,436	-	13,900	-
BGC International LP	-	-	-	494,571
BGC International	-	1,673	48,140	-
BGC Partners (Australia) Pty Ltd	-	10,746	-	584
Cantor Fitzgerald Europe	-	1,712,827	84,945	-
Cantor Fitzgerald, LP	-	12,852	-	48,499
Cantor Fitzgerald Securities	-	1,479	-	8,669
CantorCO2e, LLC	28,296	-	-	72,598
CantorCO2e (Canada), Co	-	-	118,106	-
CantorCO2e (India) Holdings Pvt Ltd	5,085	-	-	3
CantorCO2e (India) Pvt Ltd	-	25,631	50,731	-
CantorCO2e Brazil – Consultoria	-	-	-	90,000
Comercializacao de Commodities Ambiental	-	-	-	-
Climate Warehouse UK Ltd	-	-	133,290	-
eSpeed International Ltd	-	34,588	-	152,310
eSpeed Support Services Limited	-	7,133	-	-
Tower Bridge International Services LP	-	239,945	-	561,575
	<u>58,503</u>	<u>2,046,874</u>	<u>449,112</u>	<u>1,470,550</u>

During the years ended 31 December 2009 and 2008, the net value of charges payable to and receivable for the following transactions from those related parties comprised

	2009	
	Expense	Expense
	US \$	US \$
Service arrangements		
Tower Bridge International Services LP	727,786	1,385,620
eSpeed International Limited	59,738	81,995
	<u>787,524</u>	<u>1,467,615</u>

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

	2009	2008
	Expense	Expense
	US \$	US \$
CO2e administration recharge		
CantorCO2e (Canada) Company	-	173,745
CantorCO2e, LLC	-	49,631
CantorCO2e (India) Private Limited	-	84,259
Climate Warehouse UK Limited	-	25,901
	<u>-</u>	<u>333,536</u>

During 2008, CantorCO2e Limited ceased absorbing all corporate costs associated with the management of the businesses above.

	2009	2008
Subordinated Loans	US \$	US \$
CFLP	51,086	89,033
	<u>51,086</u>	<u>89,033</u>

The above represents interest paid and accrued on subordinated loan arrangements (see notes 5, 11 & 12)

16 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January	Cash flows	At 31 December
	2009		2009
	US \$	US \$	US \$
Cash at bank and in hand	3,990,626	1,112,715	5,103,341
Debt due within one year			
Debt due after one year	(1,500,000)	750,000	(750,000)
	<u>2,490,626</u>	<u>1,862,715</u>	<u>4,353,341</u>

17. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS

	At 31 December
	2009
	US \$
Increase in cash	1,112,715
Decrease in subordinated loans liability	750,000
Movement in net funds in the period	<u>1,862,716</u>
Net funds as at 1 January 2009	2,490,626
Net funds as at 31 December 2009	<u>4,353,341</u>

18. REGISTERED OFFICE

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

19. 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. The financial statements of both CantorCO2e, LLC and Cantor Fitzgerald L P are not publicly available.