

**CO2E.COM LIMITED**

**Report and Financial Statements**

**For the year ended 31 December 2002**



# **CO2E.COM LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

### **CONTENTS**

### **Page**

<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Reconciliation of movement in shareholders' funds</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7</b>

# **CO2E.COM LIMITED**

## **DIRECTORS' REPORT**

The directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2002.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company commenced trading on 11 October 2002. For the period to this date, the company had been dormant.

### **RESULTS AND DIVIDENDS**

The retained loss for the period from commencement of trade through to the year end amounted to \$167,187 (2001 – nil).

The directors do not recommend the payment of a dividend (2001 – nil).

The financial statements are presented in US dollars for consistency with the parent company.

### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the period and up to the date of this report were:

Mr L Amaitis

Mr S Drummond

Mr R Falkner

Mr H W Lutnick

Mr S Merkel

Mr P O'Gorman (Appointed 3 June 2002)

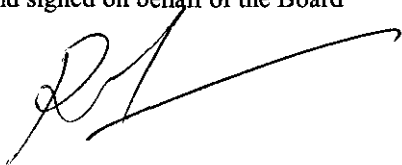
Mr C Triance (Appointed 3 June 2002)

The directors had no disclosable interests in the shares of either the company at the beginning or at the end of the year.

### **AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Robert Falkner  
Company secretary

28 March 2003

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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;
- prepare the financial statements on a 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 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 2002 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 10. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company and other members of the group 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.


**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of affairs of the company as at 31 December 2002 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and Registered Auditors  
London

28 March 2003

## CO2E.COM LIMITED

### PROFIT AND LOSS ACCOUNT Year ended 31 December 2002

	Note	2002 US\$
<b>TURNOVER</b>		94,269
Cost of sales		(197,768)
<b>GROSS LOSS</b>		(103,499)
Administrative expenses	2	63,688
<b>OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(167,187)
Tax charge on loss on ordinary activities	4	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(167,187)
<b>Profit and loss account brought forward</b>		-
<b>Profit and loss account carried forward</b>		(167,187)

The company has no recognised gains or losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

Comparative figures are not presented on the grounds that the Company was dormant from its formation date to 31 December 2001.

All of the above activities are continuing.

# CO2E.COM LIMITED

## BALANCE SHEET

Year ended 31 December 2002

	Note	2002 US\$
<b>CURRENT ASSETS</b>		
Debtors	5	1
		<hr/> 1
<b>CREDITORS: amounts falling due within one year</b>	6	(167,187)
		<hr/>
<b>NET CURRENT LIABILITIES</b>		(167,186)
		<hr/>
<b>TOTAL NET ASSETS</b>		(167,186)
		<hr/>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	1
Profit and loss account		(167,187)
		<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		(167,186)
		<hr/>

This balance sheet was approved by the Board of Directors on 28 March 2003.

Signed on behalf of the Board of Directors



Paul O'Gorman  
Director

## CO2E.COM LIMITED

### RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS Year ended 31 December 2002

	2002 US\$
Loss for the financial year	(167,187)
Issue of shares	-
	<hr/>
Net addition to shareholders' funds	(167,187)
Opening shareholders' funds	1
	<hr/>
Closing shareholders' funds	<u>(167,186)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2002**

**1. ACCOUNTING POLICIES**

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

**Basis of accounting**

The financial statements are prepared under the historical cost convention.

**Foreign exchange**

Profit and loss account items involving currencies other than sterling are translated at the average rates of exchange ruling in the month that the transactions occurred.

Monetary items in the balance sheet are translated at the rates of exchange ruling at the balance sheet date. Exchange 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 as 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.

**2. AUDITORS' REMUNERATION**

The auditors' remuneration for the year has been borne by Cantor Fitzgerald International.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The remuneration paid to the directors of CO2E.COM Limited comprised:

	<b>2002</b>
	<b>US \$</b>
Directors' emoluments and emoluments of the highest paid director	<u>77,373</u>

# CO2E.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2002

	2002 US \$
<b>Staff costs during the year amounted to:</b>	
Wages and salaries	116,818
Social security costs	13,174
	<u>129,992</u>

	2002 No.
<b>Average number of persons employed in the year:</b>	
Direct operating	<u>3</u>

### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2002 US\$
i) Analysis of tax charge on ordinary activities	
United Kingdom corporation tax at 30% (2001 – 30%) based on the profit 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:30% (2001 – 30%)	
The differences are explained below:	
	2002 US\$
Loss on ordinary activities before tax	(167,187)
Tax at 30% thereon	50,156
Effects of:	
Expenses not deductible for tax purposes	(2,136)
Creation of tax losses not utilised	(48,020)
Current tax charge for year	<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 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 \$48,000. The asset would be recovered if there were sufficient trading profits in future years against which the losses could be offset.

# CO2E.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2002

### 5. DEBTORS

	2002 US \$
Called up share capital not paid	<u>1</u>

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 US \$
Amounts owed to group companies	<u>167,187</u>

### 7. RELATED PARTY TRANSACTIONS

As of 31 December 2002 the intercompany balances held with related parties comprised:

	2002 US \$
	<b>Due to</b>
Cantor Fitzgerald International	159,233
CO2e.com Australia PTY	<u>7,953</u>
	<u>167,187</u>

The balances due to related parties have arisen from revenue and expenses recharged to the Company from these parties during the year. These balances form the other side of the retained loss incurred by the Company in the year.

### 8. CALLED UP SHARE CAPITAL

	31 December 2002 US \$
<b>Authorised:</b>	
100,000,000 Ordinary shares of \$1 each	<u>100,000,000</u>
	31 December 2002 US \$
<b>Called up, allotted and nil paid:</b>	
1 ordinary share of \$1 each	<u>1</u>

## **CO2E.COM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2002**

#### **9. REGISTERED OFFICE**

The registered office of CO2E.com Limited is One America Square, London, EC3N 2LS. The company is registered in England and Wales.

#### **10. 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 and controlling party and largest group into which the accounts of CO2E.com Limited is consolidated is Cantor Fitzgerald LP, a limited partnership registered in the United States of America.