

Sindicatum Carbon Capital Services Limited

Company Registration Number 06245343

Annual Report and Financial Statements

For the year ended 31 December 2010



Sindicatum Carbon Capital Services Limited
Annual Report and Financial Statements for the year ended 31 December 2010

Directors and Advisers

Directors

A Razzouk	(resigned on 25 th March 2011)
R Wilkinson	(resigned on 29 th October 2010)
N Kelly	(appointed on 25 th March 2011)
R Mackenzie-Smith	(appointed on 25 th March 2011)

Company Secretary

N Kelly

Company registration number

06245343 (Incorporated in England and Wales)

Registered office

33 Duke Street
London
W1U 1JY

Independent Auditors

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

Bankers

HSBC Bank plc
8 Canada Square
London
E15 5HQ

Sindicatum Carbon Capital Services Limited
Annual report and Financial Statements for the year ended 31 December 2010

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Sindicatum Carbon Capital Services Limited
Directors' Report for the year ended 31 December 2010

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2010

Business review

Principal activities

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

Future developments

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

Principal Risks

The principal business risk and uncertainties affecting the company are considered to relate to the level of demand of services and the recoverability of its costs from other group companies

Key performance indicators ("KPI")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs other than profit is not necessary for an understanding of the development, performance or position of the business

Results and dividends

The results for the period are set out on page 4

The directors do not recommend the payment of a dividend (2009 £ nil)

Directors

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

A Razzouk	(resigned on 25 th March 2011)
R Wilkinson	(resigned on 29 th October 2010)
N Kelly	(appointed on 25 th March 2011)
R Mackenzie-Smith	(appointed on 25 th March 2011)

Donations

The company did not make any political or charitable donations requiring disclosure within the year

Third party indemnity provisions

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

Going concern

The financial statements have been prepared on a going concern basis. As at 31 December 2010 the Company's total liabilities exceeded its total assets by £2,004,265. The future viability of the Company depends on the financial support of its shareholders, who have confirmed that they will continue to support the Company for the foreseeable future.

Sindicatum Carbon Capital Services Limited
Directors' Report for the year ended 31 December 2010 (continued)

Directors' statement as to disclosure of information to the auditors

In accordance with the provisions of section 418(2) of the Companies Act 2006 and after having made enquiries of fellow Directors and of the Company's auditors, each of the directors who are in office at the date the Directors' report is approved, confirms that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Statement of directors' responsibilities in relation to the financial statements

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

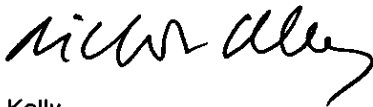
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the company 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed,
- 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.

On behalf of the board



N Kelly
Director
16 September 2011

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

We have audited the financial statements of Sindicatum Carbon Capital Services Limited for the year ended 31 December 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

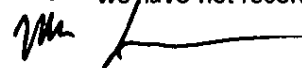
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


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

27 September 2011

Sindicatum Carbon Capital Services Limited
Statement of Comprehensive Income
For the year ended 31 December 2010

	Note	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Revenue	6	3,119,021	4,549,260
Total administrative costs	22	<u>(3,715,848)</u>	<u>(7,174,197)</u>
Operating loss		(596,827)	(2,624,937)
Interest receivable and similar income	14 2	336	14,852
Other (losses) and gains on foreign exchange	7	(464,930)	729,883
Finance costs	8	<u>(84,337)</u>	<u>(252,054)</u>
Loss on ordinary activities before taxation	9	(1,145,758)	(2,132,256)
Income tax expense	11	-	-
Loss for the year		<u>(1,145,758)</u>	<u>(2,132,256)</u>

The notes on pages 8 to 24 are an integral part of these financial statements

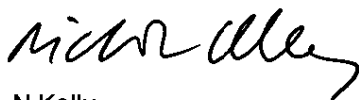
There are no other items of comprehensive income other than those shown above

Sindicatum Carbon Capital Services Limited
Statement of Financial Position
As at 31 December 2010

	Note	At 31 December 2010 £	At 31 December 2009 £
Assets			
Non-current assets			
Property, Plant and equipment	10	50,367	90,502
Intangible assets	12	-	-
Investment	23	1	1
Total non-current assets		50,368	90,503
Current assets			
Trade and other receivables	13	260,405	14,908,378
Cash and cash equivalents	14	381,112	1,341,100
Total current assets		641,517	16,249,478
Total Assets		691,885	16,339,981
Equity and liabilities			
<i>Capital and reserves</i>			
Issued Capital	15	500	500
Contribution from Parent Reserve		3,075,596	2,258,437
Retained Earnings		(5,080,361)	(3,934,603)
Total equity		(2,004,265)	(1,675,666)
Current liabilities			
Trade and other payables	16	2,696,150	18,015,647
Total current liabilities		2,696,150	18,015,647
Total equity and liabilities		691,885	16,339,981

The notes on pages 8 to 24 are an integral part of these financial statements

On Behalf of the Board



N Kelly
Director

16 September 2011

Sindicatum Carbon Capital Services Limited
Statement of Cash Flow
For the year ended 31 December 2010

		Year ended 31 December 2010	Year ended 31 December 2009
	Note	£	£
Cash flows from operating activities			
Loss for the year before tax	9	(1,145,758)	(2,132,256)
Investment revenue	14 2	(336)	(14,852)
Depreciation and amortisation of non-current assets	10	40,135	50,506
Loss on disposal of fixed assets		-	1,229
Finance Costs recognised in profit and loss	8	84,337	252,054
Expense in respect of equity-settled share-based payments	24	817,159	871,593
Write off of intra-group debts		43	-
 Movement in working capital			
Decrease / (Increase) in trade and other receivables	13	284,559	(165,538)
Decrease / (Increase) in related party debtors	13	14,279,034	(10,207,251)
Decrease in trade and other payables	16	(229,000)	(213,010)
(Increase) / decrease in related party creditors	16	(14,997,370)	1,260,939
Decrease in other payables and accruals	16	(93,127)	(207,896)
 Net cash used in operating activities		<u>(960,324)</u>	<u>(10,504,482)</u>
 Cash flows from investing activities			
Interest received on cash and cash equivalents	14 2	336	14,852
Payments for property, plant and equipment	10	-	(71,650)
Net cash generated from / (used in) investing activities		<u>336</u>	<u>(56,798)</u>
 Net decrease in cash and cash equivalents		(959,988)	(10,561,280)
Cash and equivalents at the beginning of the financial year		<u>1,341,100</u>	<u>11,902,380</u>
Cash and cash equivalents at the end of the financial year		<u>381,112</u>	<u>1,341,100</u>

Sindicatum Carbon Capital Services Limited
Statement of Changes in Equity
For the year ended 31 December 2010

	Attributable to owners of the parent			
	Share Capital £	Contribution from Parent Reserve £	Retained earnings £	Total £
Balance at 1 January 2009	500	1,386,844	(1,802,347)	(415,003)
Loss for the financial year	-	-	(2,132,256)	(2,132,256)
Total comprehensive loss for the year ended 31 December 2009	-	-	(2,132,256)	(2,132,256)
Transactions with owners				
Share-based payments expenses	-	871,593	-	871,593
Balance at 31 December 2009	500	2,258,437	(3,934,603)	(1,675,666)

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

Sindicatum Carbon Capital Services Limited
Notes to the financial statements
For the year ended 31 December 2010

1 General information

The company is domiciled and incorporated in England and Wales. The company was a wholly owned subsidiary of Sindicatum Carbon Capital Management Pte Limited, a company incorporated in Singapore, as at 31 December 2010. Its results and net assets are included in the consolidated financial statements of Sindicatum Carbon Capital Management Pte Limited, a company incorporated in Singapore.

The company financial statements were authorised for issue by the Directors on 15 September 2011.

2 Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with EU Endorsed IFRS standards and the company's interpretation of IFRIC standards, the Companies Act 2006 as applicable to companies using IFRS. The principal accounting policies have been consistently applied in all periods presented and are set out below.

Going Concern

The financial statements have been prepared on a going concern basis. As at 31 December 2010 the Company's total liabilities exceeded its total assets by £2,004,265. The future viability of the Company depends on the financial support of its shareholders, who have confirmed that they will continue to support the Company for the foreseeable future.

Statement of compliance

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

3 Adoption of new and revised standards

(a) Adoption of standards effective 2010

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those financial statements. No new standards or amendments to existing standards, which are effective from 1 January 2010, have been adopted by the Company.

(b) Standards, amendments and interpretations that are effective in 2010 but not relevant to the Company

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures' apply to acquisitions after 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3.
- IAS 27 (revised), 'Consolidated and separate financial statements'. This revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.
- IFRIC 17, 'Distribution of non-cash assets to owners'. The interpretation provides guidance on the distribution of non-cash assets to shareholders, either as a distribution of reserves or as dividends.
- IFRIC 18, 'Transfer of assets from customers'. The interpretation deals with the treatment of arrangements by which customers supply items of plant, property and equipment to enable the customer to connect to a network or provide the customer with access to a supply of goods or services.
- IFRIC 9, 'Reassessment of embedded derivatives' and IAS 39, 'Financial instruments: Recognition and measurement'. This interpretation deals with the treatment of embedded derivatives when a hybrid financial asset is reclassified.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'. The interpretation states that qualifying hedging instruments (used in the hedge of a net investment in a foreign operation) may be held in any entity in the group.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

3 Adoption of new and revised standard (continued)

- IAS 1 (amendment), 'Presentation of financial statements' This amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current
- IAS 36 (amendment), 'Impairment of assets' The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is the operating segment
- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' The amendments expand on the guidance in IFRIC 11 in respect of the classification of group arrangements not covered in that interpretation
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations' The amendment clarifies the disclosure requirements in respect of non-current assets classified as held for sale or discontinued operations
- (c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company
 - IFRS 9, 'Financial instruments' The standard introduces new requirements for classifying and measuring financial assets. The standard is not applicable until 1 January 2013 and has not yet been endorsed by the EU
 - Revised IAS 24 (revised), 'Related party disclosures' The revised standard clarifies and simplifies the definition of a related party. The revised standard is mandatory from 1 January 2011 but has not yet been endorsed by the EU
 - 'Classification of rights issues' (amendment to IAS 32) The amendment deals with the accounting for rights issues denominated in currencies other than the functional currency of the issuer
 - IFRIC 19, 'Extinguishing financial liabilities with equity instruments' The interpretation clarifies the accounting treatment when the terms of a financial liability are renegotiated and result in the entity issuing equity to the creditor to extinguish all or part of the financial liability
 - 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14) The amendments correct an unintended consequence of IFRIC 14 with respect to minimum funding requirements

4 Accounting policies

Taxation

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

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

4 Accounting policies (continued)

Intangible assets

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

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

Property, plant & equipment

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The depreciation rates applied are

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

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The expected useful life and depreciation rate applied to software is four years straight line

Leases

Leases of offices where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the period of the lease.

Share based payments

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

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Great British Pounds, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The exchange rate used as at 31 December 2010 was £1 US \$1.54358

Financial instruments

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

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

4 Accounting policies (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

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

Revenue recognition

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

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

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The Directors do not believe there are any critical judgements applied within the accounts.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

6. Revenue

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Revenue from the rendering of services	3,119,021	4,549,260

7 Other gains and losses

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Net foreign exchange (loss)/gain	(464,930)	729,883

8. Finance Costs

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Interest charged by group companies	84,337	252,054

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

9 Loss before income tax expense

	Year ended 31 December 2010	Year ended 31 December 2009
	£	£
Loss for the year has been arrived at after charging		
Depreciation of tangible assets	40,135	30,093
Amortisation of intangible assets	-	20,413
Staff costs (see below)	2,595,957	3,851,698
Professional fees	169,927	123,250
Audit fees	38,000	54,907

9.1 Employee and directors benefits expense

Wages	1,496,962	2,362,401
Social security benefits	159,920	366,512
Other benefits	121,916	251,192
Equity-settled share-based payments (see Note 24)	817,159	871,593
	2,595,957	3,851,698

Directors Emoluments (see Note 17)	265,212	311,901
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A charge of £72,229 was also made to the income statement in the year ended 2010 (2009 £269,937) for share based payments which directors principally employed by Sindicatum Carbon Capital Services Limited are beneficiaries (see note 24). This is in addition to the directors emoluments detailed above.

	Number 15	Number 27
Number of staff as at financial year end, including directors		

9.2 Staff Category Analysis

Executive	2	3
Business development	1	2
Climate Change	2	4
Project Delivery	2	2
Legal	2	3
Finance & Administration	6	13
	15	27

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

10. Property, plant and equipment

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Cost				
Balance at 1 January 2009	-	255,144	68,830	323,974
Additions	7,587	57,473	6,590	71,650
Disposals	-	-	(2,510)	(2,510)
Balance at 31 December 2009	7,587	312,617	72,910	393,114

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

Accumulated Depreciation and impairment

	Leasehold improvement	Plant, furniture and office equipment	IT equipment	Total
	£	£	£	£
Balance at 1 January 2009	-	(253,994)	(19,806)	(273,800)
Depreciation	(1,430)	(11,025)	(17,638)	(30,093)
Disposals	-	-	1,281	1,281
Balance at 31 December 2009	(1,430)	(265,019)	(36,163)	(302,612)
Opening Net Book Value at 1 st January 2009	-	1,150	49,024	50,174
Net Book Value at 31 December 2009	6,157	47,598	36,747	90,502

Accumulated Depreciation and impairment

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

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

11 Income tax expense

Current tax:

Current corporation tax charge

Year ended 31 December 2010 £	Year ended 31 December 2009 £
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-	-
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Factors affecting the tax charge for the year

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Loss on ordinary activities before taxation	(1,145,758)	(2,132,256)
Tax on loss on ordinary activities before taxation at the standard corporation tax rate of 28% (2009 28%)	(320,812)	(597,032)
Effect of		
Non deductible expenses	228,804	281,033
Depreciation and impairment charge	11,238	14,142
Capital allowances	-	(21,005)
Group relief to group undertakings	-	180,233
Unrecognised deferred tax asset	80,770	142,629
	320,812	597,032
Total current tax charge	-	-

There is no corporation tax arising for the year as a result of taxable loss for the year (2009 £nil) Trading losses available to be carried forward amount to £1,010,411,815 (2009 £721,948)

Factors that may affect future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011 Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

Deferred tax assets

At the year end the company had a net potential deferred tax asset amounting to approximately £272,811 (2009 £202,145) due to timing differences between certain items for tax and accounting As the company has no history of profits, no deferred tax assets have been recognised to date

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

12 Intangible Assets

	Software £	Total £
Cost		
Balance at 1 January 2009	24,497	24,497
Additions	-	-
Disposals	-	-
Balance at 31 December 2009	24,497	24,497

	Software £	Total £
Cost		
Balance at 1 January 2010	24,497	24,497
Additions	-	-
Disposals	-	-
Balance at 31 December 2010	24,497	24,497

Accumulated Amortisation and impairment	Software £	Total £
Balance at 1 January 2009	(4,084)	(4,084)
Amortisation Expense	(20,413)	(20,413)
Balance at 31 December 2009	(24,497)	(24,497)

Accumulated Amortisation and impairment	Software £	Total £
Balance at 1 January 2010	(24,497)	(24,497)
Amortisation Expense	-	-
Balance at 31 December 2010	(24,497)	(24,497)
Opening Net Book Value at 1 January 2010	-	-
Closing Net Book Value at 31 December 2010	-	-

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

13. Trade and other receivables

	Current	
	31 December 2010	31 December 2009
	£	£
Receivables from group companies	106,808	14,470,222
Other receivables	46,906	35,485
Deposits	1,200	-
Prepayments	105,491	402,671
	260,405	14,908,378

Amounts receivable from group companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Bank of England Base Rate plus 2% calculated on the average balance each calendar month (see note 25). All other receivables are payable within one year of the balance sheet date and carry no interest.

14.1 Cash and Cash Equivalents

	31 December 2010	31 December 2009
	£	£
Cash and bank balances	381,112	1,341,100

Cash is held at a bank with a credit rating of Aa2 (2009 Aa2).

14.2 Interest received on cash balances for 2010 was kept by the Company and amounts to £336 (2009 £14,852).

14.3 Currency Split of Cash and Cash Equivalents stated in GBP Equivalents

	31 December 2010	31 December 2009
	£	£
Great British Pounds	297,796	1,185,604
United States Dollars (GBP Equivalent)	52,049	82,787
Euros (GBP Equivalent)	31,267	72,709
Total	381,112	1,341,100

15. Issued Capital

	Share Capital	
	31/12/2010	31/12/2009
	£	£
Issued 50,000 Fully paid ordinary shares 1p	500	500
Authorised Share Capital (10,000,000 shares of 1p)	100,000	100,000

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

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

16. Trade and Other Payables

	31 December 2010	31 December 2009
	£	£
Trade payables	50,258	279,258
Payables to group companies	2,289,537	17,286,907
Other payables	272,139	298,400
Accruals	84,216	151,082
	2,696,150	18,015,647

The ageing of the Trade Payables at 31 December 2010 is detailed below

Current	2,140	255,676
0-30 Days	47,958	21,093
31-60 Days	-	2,489
61-90 Days	-	-
91+ Days	160	-
Total	50,258	279,258

The currency split of the trade payables (in GBP equivalents) at 31 December 2010 was as follows

	GBP	GBP
USD	697	5,941
GBP	49,561	271,609
EUR	-	1,708
Total	50,258	279,258

The loan payables to group companies are unsecured and repayable on demand. The net total amount owed carries an interest rate based on Bank of England Base Rate plus 2% calculated on the average balance each calendar month (see note 25)

17 Directors Emoluments

	Year ended 31 December 2010	Year ended 31 December 2009
	£	£
Emoluments for qualifying services	265,212	311,901

The highest paid director received remuneration of £163,345 within the year (2009 £266,111). Directors' emoluments comprise salary, bonus and other benefits. There were no pension contributions paid for directors requiring disclosure.

18 Contingent Assets and Liabilities

The Company did not have any contingent assets or liabilities as at 31 December 2010.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

19 Commitments to Expenditure

At 31 December 2010 the company had annual commitments under non-cancellable operating lease for land and buildings expiring as follows

	2010 £	2009 £
Within one year	127,500	-
Within two to five years	510,000	-
After five years	166,813	127,500
	<u>804,313</u>	<u>127,500</u>

20. Events after the Balance Sheet Date

Subsequent to the year end, the board of directors of the Company deemed the intercompany debtor balance due from SCC International Limited as at 31 December 2010 as irrecoverable because SCC International Limited has commenced liquidation. Thus the Company wrote off the full amount.

21 Financial risk management

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

(a) Fair values

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

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

(b) Credit risk

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

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

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

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

The Company holds cash and short term bank deposits with approved financial institutions that have at least an investment grade credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, as shown in the financial statements.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

21 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquid resources comprise the total of cash and cash equivalents. The Company's objectives when managing its liquid resources are:

- to ensure that it will always have sufficient funds to meet its liabilities as they fall due,
- to have available the necessary financial resources to allow us to invest in areas that may deliver future benefits to the Group's portfolio and create value for shareholders, and
- to maintain sufficient financial resources to mitigate against risks and unforeseen events

At 31 December 2010, the Company had minimal interest bearing liabilities. The Company's liquid resources are set out in the financial statements. The company is dependent for liquidity on the support of Sindicatum Carbon Capital Holdings (please see note 4).

(d) Interest rate risk

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

(e) Currency risk

British pounds, Euros, and US dollars are the primary currencies in which the Company conducts business. British pounds are used for planning and budgetary purposes and as the presentation currency for financial reporting.

The principal risks to which the Company is exposed are movements in the exchange rates of the Euro and the US dollar against the British pound. Owing to the composition of the currency of the Company's debtors and creditors as at 31 December 2010, a strengthening of the Pound against the US dollar by 1% would result in a higher profit for the company of approximately £77,000, whereas a strengthening of the Pound against the Euro by 1% would result in a loss of approximately £22,000.

(f) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged from the prior period.

In order to maintain or adjust the capital structure, the Company may adjust the amount of capital returned to shareholder, issue new shares or sell assets to reduce debt.

22. Expenses By Nature

	2010 £	2009 £
Staff Costs	2,595,957	3,851,698
Occupancy Costs	499,810	721,297
Depreciation, amortisation and impairment charges	40,135	50,506
Marketing Costs	37,472	121,261
Travel Expenses	324,844	427,717
Professional Fees	207,927	1,663,338
Other Expenses	9,703	338,380
Total	3,715,848	7,174,197

These costs comprise Administrative Costs as reported in the income statement.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

23 Investment

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

24 Share Based Payments

The Company participates in share option schemes operated by its parent company, Sindicatum Carbon Capital Holdings Limited. The share options granted to qualifying employees are shown below.

At 31 December 2010, the following share based payment arrangements existed:

	2010	2009
Number of options outstanding at year end	154,171	200,213
Exercise Price of Group A Share Options for 2006	£0.01	£0.01
Exercise Price of Group B Share Options for 2006	£19.05	£19.05
Exercise Price of Group C Share Options for 2007	£20.00	£20.00
Exercise Price of Group D Share Options for 2008	£37.50	£37.50
Method of Settlement	Equity	Equity
Contractual Life	10 years from grant date	

The Resulting Share Option Charge is reflected in Administrative Expenses and Equity Settled Reserves.

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

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

The expense amount recognised in the income statement in respect of share-based payments for the year was £817,159 (2009: £871,593). In addition, the company makes provision for its estimate of the likely Income Tax and National Insurance costs where it anticipates these may be incurred as a result of the Share Option Scheme.

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

24 Share Based Payments (continued)

Details of the Share Option schemes movements during the year ended 31 December 2010 were as follows

	Group A		Group B		
	Quantity	Price	Quantity	Price	
Outstanding at start of year	100,210	£0 01	21,000	£19 05	
Transferred During the year	(17,521)	£0 01	(9,187)	£19 05	
Outstanding at year end	82,689	£0 01	11,813	£19 05	
	Group C		Group D		Total Quantity Group A to D
	Quantity	Price	Quantity	Price	
Outstanding at start of year	24,334	£20 00	54,669	£37 50	200,213
Transferred During the year	-	-	(19,334)	£37 50	(46,042)
Outstanding at year end	24,334	£20.00	£35,335	£37 50	154,171

The shares options transferred are charged to the company from the parent company based on the beneficiaries being employed by the company at the year end At year end 153,505 options were exercisable (2009 182,552)

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

Expiry Date	Exercise Price	2010	2009
March 2016	£0 01	73,501	81,834
May 2016	£0 01	5,250	14,438
May 2016	£19 05	5,250	18,104
July 2016	£0 01	3,938	3,938
July 2016	£19 05	6,563	6,563
September 2017	£20 00	24,000	24,000
September 2017	£37 50	-	1,333
November 2017	£20 00	334	334
May 2018	£37 50	33,335	33,340
November 2018	£37 50	2,000	16,329
Total		154,171	200,213

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

25 Related Party Transactions

	Sales of goods and Services		Payments for interest and Services	
	2010	2009	2010	2009
	£	£	£	£
Immediate Parent company				
Sindicatum Carbon Capital Management Pte Ltd	-	-	84,337	
Fellow subsidiary companies				
Sindicatum Carbon Capital Holdings Limited			-	252,054
Sindicatum Carbon Capital Limited	803,086	1,724,735	-	-
Sindicatum Carbon & Energy Management Limited	2,271,235	2,383,124	-	-
International & Sindicatum Climate Change Partnership L P	-	-	-	-
Sindicatum Carbon Capital India Pvt Limited	-	-	-	274,728
Sindicatum Carbon Technology Limited	-	330,000	-	-
Sindicatum Carbon Capital (Asia) Limited	18,805	5,235	-	-
Sindicatum Carbon Capital (BVI) Limited	-	95,294	-	-
Sindicatum Carbon Capital Thailand Limited	3,618	1,238	-	-
	3,096,744	4,539,626	84,337	526,782

All the companies formed part of the Sindicatum Carbon Capital Group Limited except for Sindicatum Holdings Limited which is a company with a related party director

Sindicatum Carbon Capital Services Limited
Notes to the financial statements (continued)
For the year ended 31 December 2010

25 Related Party Transactions (continued)

	Amounts owed by Group Companies		Amounts owed to Group Companies	
	2010 £	2009 £	2010 £	2009 £
Immediate Parent company				
Sindicatum Carbon Capital Management Pte Ltd	-	-	2,224,575	-
Fellow subsidiary companies				
Sindicatum Carbon Capital Holdings Limited	-	5,853,686	-	-
Sindicatum Carbon Capital Limited	-	-	-	17,201,363
Sindicatum Carbon Capital (BVI) Limited	-	192,898	-	-
Sindicatum Carbon Capital India Pvt Limited	-	-	64,962	34,099
Sindicatum Carbon Capital Singapore Limited	-	3,296	-	-
Sindicatum Carbon & Energy Management (Singapore) Limited	-	36,148	-	-
Sindicatum Carbon & Energy Management Limited	-	4,604,270	-	-
Sindicatum Carbon Capital South East Asia Limited	-	250,365	-	-
PT Sindicatum Carbon Capital Indonesia	-	-	-	8,036
Sindicatum Carbon Technology Limited	-	1,438,461	-	-
Sindicatum Carbon Capital International Limited	106,808	98,393	-	-
Sindicatum Carbon Capital (Asia) Limited	-	1,985,541	-	-
Sindicatum Carbon Capital Thailand Limited	-	1,256	-	-
Sindicatum Carbon Capital LP Limited	-	1,089	-	-
Xentolar Holdings Limited	-	-	-	43,409
Wolsener Limited	-	4,819	-	-
	106,808	14,470,222	2,289,537	17,286,907

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

26. Ultimate controlling party

The company's immediate parent company as at 31 December 2010 was Sindicatum Carbon Capital Group Limited. The intermediate holding company, Sindicatum Carbon Capital Management Pte Limited owned 100% of the issued share capital of the company.

The consolidated financial statements of the company's intermediate holding company can be obtained at 391 B Orchard Road, Ngee Ann City, Tower B # 15-02 Singapore 238874