

6527842

Climate Change Capital Group Limited

Report and Financial Statements

31 December 2012



Directors

J Cameron (Chairman)

A Evans

A Kerschen

Secretary

R McCloskey

Auditors

Deloitte LLP

Hill House

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London

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Bankers

HSBC Bank plc

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Registered office

3 More London Riverside

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SE1 2AQ

Directors' report

Registered No 06527842

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The consolidated loss for the year, after taxation, is £3.4m (2011 - loss of £3.9m). The directors do not recommend the payment of any dividends.

Principal activities

The group is an investment manager and advisor specialising in the opportunities generated by the transition to the low carbon economy.

Review of business

The group's key financial indicators during the year were as follows:

	2012	2011
Turnover (£000s)	10,757	17,779
Operating loss (£000s)	(3,221)	(3,518)
Loss after tax and minority interest (£000s)	(3,420)	(3,936)
Shareholders' funds (£000s)	3,491	3,370
Commitments to funds managed by the group (£m)	844	864

The group's reported turnover decreased to £10.8m in 2012 compared to £17.8m for the previous year. Turnover was negatively impacted by the following:

- Issuance of HFC23 CERs was lower in 2012 compared to the prior year which included additional deliveries previously held back prior to the UNFCCC's decision to re-initiate issuance of HFC23 CERs during 2011. As a result, the company earned income related to HFC23 projects of £950k in the year (2011: £2,855k),
- A reduced level of Advisory success fees of £425k were earned during the year (2011: £964k) and retainer fees £165k (2011: £275k),
- Management fees from the Climate Change Capital Private Equity Fund of £3,665k (2011: £4,550) reduced following the end of the original investment period in July,
- Lower management fees recognised for Carbon Funds of £2,998k (2011: £6,270k). Following the end of the funds' investment period on 31 December 2009, the management fee earned by the company is no longer based on investors' capital commitments to the fund, but on actual committed capital of the fund, a figure which naturally reduces over time and additionally has been significantly reduced following a % reduction in CER prices during 2012,
- Lower management fees from the Climate Change Property Fund of £774k (2011: £949k) represented the first full year of reduced investment capital on which management fees are charged, following the sale of the 77-80 Gracechurch Street, London property, in July 2011.

Partly offset by:

- Higher Carbon Fund performance fees £1,592k (2011: £836k) following increased level of associated project CER issuances during 2012.

Directors' report

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Review of business (continued)

The long term fundamentals associated with the world economy's transition to a low carbon economy remain very positive, and with its clear sector focus the group remains strategically well positioned. However, short term business conditions have remained difficult, particularly with respect to fundraising for new fund products.

Shareholders' funds increased marginally during the year. This was primarily the result of the issue of 3,495,789 "B" ordinary shares on 19 March 2012 in exchange for settlement of £3,430,000 in Convertible Unsecured Loan Notes and accrued interest. This increase was mainly offset by the current year losses incurred.

Total commitments to funds managed by the group reduced slightly to £844m (2011: £864m) due to exchange rate movements only.

The group remains well capitalised. The group's capital resources of £4.1m are well in excess of the minimum capital resources required by the FCA.

Going concern

The ultimate parent entity has reaffirmed its intention to provide the company with continued financial support as required. The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. The directors believe that it is, therefore, appropriate to continue to adopt the going concern basis in preparing the annual reports and accounts.

Environmental policies

In respect of environmental policies, the group focuses on two key missions:

1. being 'carbon neutral', and
2. operating sustainable work practises with regards waste, water and energy consumption.

To achieve these missions, a sustainability team has been established, to co-ordinate and focus the group's efforts. Several initiatives were launched in 2009 with the most important being the establishment of a baseline for emissions from which to track improvements.

Carbon neutral – a definition: a transparent process of *measuring* emissions, *reducing* those emissions and *offsetting* residual emissions such that the net calculated emissions are equal to zero.

Measuring emissions: the sustainability team has focused on the group's London operations and specifically on the London offices' consumption of electricity and the emissions from business related rail and air travel. For the year to December 2012 the total emissions in these two areas was estimated at 611 tonnes of CO₂e (2011: 658).

Reducing emissions: reducing emissions is a vital part of becoming a carbon neutral company. The focus in 2012 has been on understanding the level of data at its disposal and identifying areas where the data needs to be improved. The data is critical to providing comparatives used in quantifying the levels of reduction achieved.

Offsetting emissions: For the year ending December 2012, the group estimated the monetary value of emissions using a price per tonne of carbon of £9.00 (2011: £12.50), and in 2013 will be making a donation of £5,500 (2011: £8,225) to a similar charity to last year to fund practical, local energy solutions that cut carbon, protect the environment, reduce poverty and improve people's lives.

Directors' report

Registered No. 06527842

Principal risks and uncertainties

The principal risks and uncertainties facing the group are

- *Operational risk*

The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events Including breach of compliance with legal contracts, financial regulation and terms of investment

These risks are managed through the operational procedures of each business area, compliance with which is reviewed internally, and by taking professional advice on establishing new businesses and new funds

The group has business continuity plans in place for all of its businesses, and has invested in back-up IT infrastructure at a third party disaster recovery site

The internal Compliance functions reviews regularly the risk of legal and regulatory failure, including breach of legal contracts, financial regulation and terms of investment

- *Business risk*

Defined as risk to the group arising from changes in its business, including the risk that the group may not be able to carry out its business plan and its desired strategy A principal risk is the availability of opportunities for the investment of funds under management and the associated market volatility of these assets

Each fund for which the group is investment manager has a formal Investment Committee ("IC"), chaired by persons independent of the investment team The IC is the approval body for investments and exits by the funds

- *Concentration risk*

Defined as the risk related to concentration of business activities or counterparty exposures to single or related activities or entities

This risk is monitored on an ongoing basis by the directors

- *Exposure to credit, market, interest rate and liquidity risk*

The group does not lend so credit risk is limited to the risk that losses may arise as a result of the group's counterparties failing to meet their obligations to pay Clients of the advisory business are invoiced monthly, and investment management fees are called quarterly in advance from investors with no record of bad debt Details of the group's debtors are shown in note 12 to the financial statements

Market risk is defined as the impact on the group due to changes in market prices of financial instruments The group does not trade on its own account and therefore does not have market risk of any significance The main risk to the group in this category relates to currency exposure on management fees which are received in foreign currencies The group has policies in place to lock-in the GBP value of expected future fees using currency forward contracts covering beyond the current accounting period

Liquidity risk is the risk that the group will be unable to meet its financial obligations as they fall due as assets held cannot be realised The group has no borrowings and holds its surplus cash balances in deposit accounts of short maturity The group's liquidity risk is closely monitored, to ensure sufficient cash is held in short notice accounts to meet planned cash outlays

Directors' report

Registered No. 06527842

Future developments

The directors continue to explore growth options for the group. The group continues to develop these new fund ideas as well as planning follow-on funds as existing funds approach the end of their investment period.

Charitable contributions

During the year, the group made contributions totalling £480 (2011 £1,385). In addition, further contributions of £5,500 to UK based climate conscientious charities were provided for to be paid in 2013 and £8,225 was paid to similar charities in relation to the 2011 provision for offsetting emissions.

Directors/officers of the company

The current directors are shown on page 1.

A Evans was appointed on 19 March 2012.

A Kerschen was appointed on 4 July 2012.

J Boven resigned on 19 March 2012.

V Cox resigned on 19 March 2012.

G Geiger resigned on 19 March 2012.

I Temperton resigned on 19 March 2012.

P Wheeler resigned on 19 March 2012.

M Macleod resigned on 15 May 2012.

R McCloskey was appointed as Secretary on 15 August 2012, on which day S Robert-Tissot resigned.

Purchase of own shares

The group has set up an Employee Benefit Trust (EBT) which in previous years has purchased shares in the company, although there were no purchases made during the current year as set out in note 16.

Regulation

The new Basel II Accord replaces the 1988 Basel Capital Accord. The supervisory objective of the Basel II Accord is to promote safety and soundness in the financial system and require credit institutions and investment firms to maintain appropriate levels of capital to cover the risks inherent in their business model. The European Capital Requirements Directive establishes a revised regulatory capital framework across Europe based on the Basel II rules. In the UK the European Capital Requirements Directive has been implemented by the FCA in its regulations through the General Prudential Sourcebook and the Prudential Sourcebook for Banks, Building Societies and Investment Firms.

The FCA framework is structured around three pillars. Pillar 1 specifies minimum capital requirements. Pillar 2 describes the supervisory review process and outlines the internal capital adequacy assessment process ('ICAAP') required by firms applying Pillar 1 methodologies. Pillar 3 requires disclosure of risk management and capital information to the market. These can be found on the Climate Change Capital website.

Directors' report

Registered No. 06527842

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re- appointment of auditors

During the year Deloitte LLP were appointed as auditors by the directors. In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the appointment of Deloitte LLP as auditor of the company.

By the order of the Board



R McCloskey
Secretary

30 October 2013

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 group and the company and of the profit or loss of the group 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 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 adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

to the members of Climate Change Capital Group Limited

We have audited the group and parent company financial statements of Climate Change Capital Group Limited for the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Reconciliation of Shareholders' Funds, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 21. 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 Part 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.

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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's loss 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.

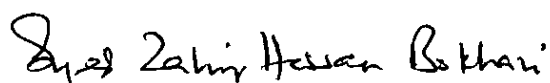
Independent auditors' report

to the members of Climate Change Capital Group Limited (continued)

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



Syed Bokhari FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor
London

31 October 2013

Group profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	10,757,152	17,778,545
Administrative expenses		(13,872,942)	(21,296,779)
Impairment of goodwill	9	(105,280)	-
Operating loss	3	(3,221,070)	(3,518,234)
Loss on disposal of fixed asset investments		(144,700)	-
Interest receivable - banks		28,756	89,346
Interest payable and similar charges	6	(65,789)	(312,024)
Loss on ordinary activities before taxation		(3,402,803)	(3,740,912)
Taxation	7	(92,030)	(184,667)
Loss on ordinary activities after taxation		(3,494,833)	(3,925,579)
Minority interests		75,289	(10,103)
Loss for the financial year attributable to members of the parent company	16	(3,419,544)	(3,935,682)

Group statement of total recognised gains and losses

for the year ended 31 December 2012

	2012 £	2011 £
Loss for the financial year	(3,419,544)	(3,935,682)
Exchange difference on retranslation of net assets of subsidiary undertaking	(20,219)	(21,631)
Unrealised gain/(loss) on revaluation of investments	64,894	(50,160)
Total recognised losses relating to the year	(3,374,869)	(4,007,473)

Group reconciliation of shareholders' funds

for the year ended 31 December 2012

	2012 £	2011 £
Total recognised gains and losses	(3,374,869)	(4,007,473)
Other movements		
New shares issued	3,495,789	-
Reserve credit for share-based payment plans (note 17)	-	178,653
Total movement during the year	120,920	(3,828,820)
Shareholders' funds at beginning of year	3,370,049	7,198,869
Shareholders' funds at end of year	3,490,969	3,370,049

Group balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible fixed assets	9	-	105,280
Tangible fixed assets	10	111,282	240,963
Investments	11	935,877	852,980
		<u>1,047,159</u>	<u>1,199,223</u>
Current assets			
Debtors	12	5,803,154	2,785,309
Cash at bank and in hand		1,967,542	11,587,472
		<u>7,770,696</u>	<u>14,372,781</u>
Creditors amounts falling due within one year	13	(4,784,158)	(8,254,475)
Net current assets		<u>2,986,538</u>	<u>6,118,306</u>
Creditors: amounts falling due after more than one year	13	-	(3,430,000)
Total assets less liabilities		<u>4,033,697</u>	<u>3,887,529</u>
Minority interests		<u>(542,728)</u>	<u>(517,480)</u>
Net assets		<u>3,490,969</u>	<u>3,370,049</u>
Capital and reserves			
Called up share capital	15	1,295,794	1,022,399
Share premium account	16	103,715,531	100,492,637
Revaluation reserve	16	(61,927)	(106,602)
Special reserve (share based payment reserve)	16	1,536,744	1,537,244
Profit and loss account	16	(102,995,173)	(99,575,629)
Shareholders' funds		<u>3,490,969</u>	<u>3,370,049</u>


A Evans
Director

30 October 2013

Company balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	11	9,099,000	9,099,000
Current assets			
Debtors	12		
amounts falling due after one year		4,000,000	4,000,000
amounts falling due within one year		-	772,303
		4,000,000	4,772,303
Cash at bank and in hand		182,255	18,123
		4,182,255	4,790,426
Creditors: amounts falling due within one year	13	(989,736)	(541,227)
Net current assets		3,192,519	4,249,199
Creditors: amounts falling due after more than one year	13	-	(3,430,000)
Net assets		12,291,519	9,918,199
Capital and reserves			
Called up share capital	15	1,295,794	1,022,399
Share premium account	16	103,715,531	100,492,637
Special reserve (share based payment reserve)	16	344,126	344,626
Profit and loss account	16	(93,063,932)	(91,941,463)
Shareholders' funds		12,291,519	9,918,199



A Evans
Director

30 October 2013

Group statement of cash flows

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Net cash outflow from operating activities	3(b)	(9,068,539)	(754,101)
Returns on investments and servicing of finance			
Interest received		28,756	89,346
Interest paid		(374,489)	(30,328)
		<u>(345,733)</u>	<u>59,018</u>
Taxation			
Corporation tax paid		(25,129)	-
Overseas tax paid		(138,504)	(230,070)
		<u>(163,633)</u>	<u>(230,070)</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(45,648)	(72,802)
Payments to acquire investments in non-group companies		(162,703)	(365,371)
Repayment of loan notes		(3,430,000)	-
Issue of ordinary shares		3,495,789	-
Partnership loans		100,537	173,211
		<u>(42,025)</u>	<u>(264,962)</u>
Decrease in cash		<u>(9,619,930)</u>	<u>(1,190,115)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(9,619,930)	(1,190,115)
Cash inflow from increase in loans		3,430,000	-
Movement in net funds		<u>(6,189,930)</u>	<u>(1,190,115)</u>
Net funds at 1 January		8,157,472	9,347,587
Net funds at 31 December		<u>1,967,542</u>	<u>8,157,472</u>

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements of Climate Change Capital Group Limited were approved for issue by the Board of Directors on 30 September 2013

The financial statements are prepared under the historical cost convention, modified in to the valuation of certain fixed assets investments, and in accordance with applicable United Kingdom Accounting Standards

Basis of consolidation

The group financial statements consolidate the financial statements of Climate Change Capital Group Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Climate Change Capital Group Limited as permitted by section 408 of the Companies Act 2006

All subsidiary undertakings are consolidated in the group financial statements. This includes entities which act as general partner to a limited partnership, however the limited partnerships themselves are not consolidated in the case where the general partner only controls the limited partnership in a fiduciary duty for the benefit of the limited partners

In the parent company financial statements investments in subsidiaries are accounted for at the lower of cost and the net recoverable amount

Going concern

Following confirmation of continued support from the ultimate parent entity, the directors believe that it is appropriate to prepare the financial statements on a going concern basis

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an intangible asset on the balance sheet and amortised on a straight line basis over its economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full year following the acquisition, and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable

Goodwill arising on acquisition of overseas subsidiaries is initially recognised based on the foreign exchange rate at the date of acquisition. In line with other assets and liabilities of overseas subsidiaries it is then retranslated at the rate of exchange ruling at the balance sheet date

Fixed asset investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value

Financial assets designated as fair value through profit or loss are measured at subsequent reporting dates at fair value, which for investment funds is at their net asset value based on the fair value of the underlying investments

In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines. Fair value is the price at which an orderly transaction would take place between market participants at the balance sheet date

Gains and losses arising from investments, designated as investments held at fair value through profit or loss, are included in the income statement in the period in which they arise, while foreign exchange gains and losses on such investments are included within the changes in its fair value

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	over the lease term
Plant and machinery, fixtures and fittings	-	3 years
Computer equipment	-	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before revenue is recognised:

Advisory and consulting revenue

Revenue from advisory and consulting services is recognised as services are rendered.

Management fees

Revenue from the management of funds is recognised on a time basis and in accordance with the terms of the investment management agreement.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Contingent fees

Where the right to receive consideration does not arise until the occurrence of a critical event, which is outside of the control of the company, revenue is not recognised until that event occurs.

Deferred tax

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions and other post-retirement benefits

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date except the profit and loss account which is translated using the average rate of exchange for the year. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Employee benefits trust

The group has established an employee benefit trust, the principal employer of which is Climate Change Holdings Limited. All assets or liabilities under the control of the trusts at the year end are included in the group balance sheet.

Forward foreign currency contracts

The criteria for forward foreign currency contracts are

- the instrument must be related to a firm foreign currency commitment,
- it must involve the same currency as the hedged item, and
- it must reduce the risk of foreign currency exchange movement on the group's operations.

All contracts are used to hedge the foreign currency risk on committed future transactions, and are not recognised until the transaction occurs.

Forward foreign currency contracts are not valued to fair value or shown in the company balance at the year end.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Leases

Rentals paid under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised as net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting year and reduced by payments made in the year.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Derivatives – Emission Reduction Purchase Agreements (ERPAs)

ERPA agreements are deemed to have no risk of financial loss as all upfront payments are charged to profit and loss and the price paid for CERs delivered under the agreements is a percentage of the market index upon issuance (see note 19 for details of these agreements). As such the company has elected not to fair value the instruments and to hold them off balance sheet.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Treasury shares

Treasury shares held by the Employee Benefit Trust are classified in capital and reserves, as "reserve for own shares" and recognised at average cost, or estimated fair value if this is lower. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale, issue or cancellation of treasury shares.

Notes to the financial statements

at 31 December 2012

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary continuing activities, stated net of value added tax

An analysis of turnover by activity is given below

	2012 £	2011 £
Investment management	9,187,260	13,602,354
Advisory/consulting	1,569,892	4,176,191
	<u>10,757,152</u>	<u>17,778,545</u>

An analysis of turnover by geographical market is given below

	2012 £	2011 £
United Kingdom	7,814,995	11,511,327
Rest of Europe	2,857,181	6,163,270
Other	84,976	103,948
	<u>10,757,152</u>	<u>17,778,545</u>

3. Group operating loss

(a) This is stated after charging

	2012 £	2011 £
Auditor's remuneration (note 4)	265,000	147,200
Depreciation of owned fixed assets (note 10)	173,406	377,464
Operating lease rentals - land and buildings	895,048	883,159
Non-cash compensation charge, FRS 20 (note 17)	-	178,653
Amortisation of goodwill	-	6,193
Impairment of goodwill (note 9)	105,280	-
	<u>1,338,734</u>	<u>1,592,619</u>

Notes to the financial statements

at 31 December 2012

3. Group operating loss (continued)

(b) Reconciliation of operating loss to net cash outflow from operating activities

	2012 £	2011 £
Operating loss	(3,365,770)	(3,518,234)
Depreciation of tangible fixed assets	173,406	377,464
Impairment of goodwill	105,280	-
Amortisation of goodwill	-	6,193
(Increase)/decrease in debtors	(3,017,845)	386,138
(Decrease)/Increase in creditors	(3,088,097)	1,819,791
Share based payments	-	178,653
FX revaluation	(20,213)	(4,106)
Realised loss on disposal of investments	144,700	-
	<u>(9,068,539)</u>	<u>(754,101)</u>

4. Auditors' remuneration

The remuneration of the auditors is further analysed as follows

	2012 £	2011 £
Audit of the financial statements *	170,000	89,000
Other fees to auditors - other services	95,000	58,200
	<u>265,000</u>	<u>147,200</u>

* The audit fees of the company are borne by one of its subsidiaries

Notes to the financial statements

at 31 December 2012

5. Staff costs

(a) Staff costs

	2012	2011
	£	£
Wages and salaries	7,537,595	11,484,921
Social security costs	924,451	1,319,916
Share-based payment expense	-	178,653
	<u>8,462,047</u>	<u>12,983,490</u>

During 2012, the costs associated with redundancy were £423,761 (2011 - £662,635)

The average monthly number of employees during the year was made up as follows

	2012	2011
	No	No
Investment management and advisory	43	55
Management	3	3
Administration	17	22
	<u>63</u>	<u>80</u>

(b) Directors' emoluments

	2012	2011
	£	£
Aggregate emoluments in respect of qualifying services	337,179	1,216,270
Aggregate value of non cash benefits received	-	178,653
	<u>No</u>	<u>No</u>
Number of directors who received shares in respect of qualifying services	-	2
	<u>£</u>	<u>£</u>
In respect of the highest paid director		
Aggregate emoluments	283,141	583,806

During 2012 no amount was payable to any director as compensation for loss of office (2011 - £390,936)

Notes to the financial statements

at 31 December 2012

6. Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	-	3,324
Loan notes	65,789	308,700
	<u>65,789</u>	<u>312,024</u>

7. Taxation

(a) Tax on loss on ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax at 24.5% (2011: 26.5%)	-	-
Tax underprovided in previous years	129	25,000
Foreign tax	91,901	159,667
Total current tax charge (see note 7(b))	<u>92,030</u>	<u>184,667</u>

(b) Factors affecting the current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 24.5%. The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(3,402,803)</u>	<u>(3,740,912)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(833,687)	(991,342)
<i>Effects of</i>		
Expenses not deductible for tax purposes (including goodwill impairment)	248,211	377,211
Capital allowances in arrears of depreciation	39,002	66,606
Other timing differences	(40,425)	21,953
Tax losses utilised	-	-
Tax losses carried forward	650,477	574,534
Impact of higher tax rates on overseas earnings	28,323	110,705
Tax underprovided in previous years	129	25,000
Current tax for the year (see note 7(a))	<u>92,030</u>	<u>184,667</u>

Notes to the financial statements

at 31 December 2012

7. Taxation (continued)

(c) Deferred taxation

Group

Deferred tax is analysed as follows

	2012	2011
	£	£
Depreciation in advance of capital allowances	516,908	522,059
Tax losses carried forward	3,573,876	3,312,307
Other timing differences	1,496,083	1,667,337
Unrecognised deferred tax asset	<u>5,586,867</u>	<u>5,501,703</u>

Company

Deferred tax is analysed as follows

	2012	2011
	£	£
Tax losses carried forward	1,000,372	986,178
Other timing differences	70,822	72,268
Unrecognised deferred tax asset	<u>1,071,194</u>	<u>1,058,446</u>

The main rate of corporation tax reduced to 24% from 1 April 2012 and will reduce by a further 1% to 23% from 1 April 2013. In December 2012 the Government announced its intention to reduce the main rate of corporation tax by a further 2% which would take the rate to 21% from 1 April 2014 (an additional 1% to the 1% reduction proposed in the March 2012 budget). The 2013 budget on 20 March 2013 proposed that a further reduction of 1% was applied which would take the rate to 20% from 1 April 2015. However, only the reduction in the corporation tax rate to 23% from 1 April 2013 was substantively enacted at the balance sheet date and as such the deferred tax balances of £5,586,867 are disclosed in the financial statements at 25%.

The effect of the above UK corporation tax rate reductions on the deferred tax assets reported at 31 December 2012 will depend on the timing of the reversal of the associated timing differences, which will determine at which rate the reversal will be relieved. Assuming that all of the relevant timing differences in the company were to reverse at 20%, the group's deferred tax asset balance at 31 December 2012 would be lower by £728,722.

8. Loss attributable to members of parent company

The loss dealt with in the financial statements of the parent company was £1,122,469 (2011 - £1,486,550)

Notes to the financial statements

at 31 December 2012

9. Intangible fixed assets

Group

	<i>Goodwill</i> £
Cost	
At 1 January 2012 and 31 December 2012	123,859
Amortisation	
At 1 January 2012 and 31 December 2012	18,579
Impairment	
Provided during the year	105,280
At 31 December 2012	105,280
Net book value at 31 December 2012	-
Net book value at 1 January 2012	105,280

10. Tangible fixed assets

	<i>Leasehold improvements</i> £	<i>Plant and machinery, fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost				
At 1 January 2012	663,233	378,101	931,539	1,972,873
Exchange adjustment	(1,671)	(1,361)	(5,331)	(8,363)
Additions	27,850	-	17,798	45,648
At 31 December 2012	689,412	376,740	944,006	2,010,158
Depreciation				
At 1 January 2012	477,110	377,818	876,982	1,731,910
Exchange adjustment	252	(1,360)	(5,332)	(6,440)
Provided during the year	140,209	113	33,084	173,406
At 31 December 2012	617,571	376,571	904,734	1,898,876
Net book value				
At 31 December 2012	71,841	169	39,272	111,282
At 1 January 2012	186,123	283	54,557	240,963

Notes to the financial statements

at 31 December 2012

11. Investments

Group

	<i>Unlisted Investments £</i>
Cost	
At 1 January 2012	852,980
Additions	162,703
Disposals	(144,700)
Revaluation impairment	64,894
At 31 December 2012	<u>935,877</u>

All investments are unlisted

During the year the group acquired external investments purchased by Climate Change Capital Private Equity Co-Investment LP totalling £162,703

The historical cost of the investments was £1,090,118 (2011 - £927,415)

Company

	<i>Total £</i>
Cost	
At 31 December 2012 and 1 January 2012	93,435,898
Amounts provided	
At 31 December 2012 and 1 January 2012	<u>(84,336,898)</u>
Net book value	
At 31 December 2012 and 1 January 2012	<u>9,099,000</u>

Subsidiary undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

<i>Name</i>	<i>Class of shares</i>	<i>Proportion of shares held</i>	<i>Nature of business</i>
Climate Change Holdings Limited	Ordinary/Pref	100%	Financial services
Climate Change Capital Limited	Ordinary/Pref	100%	Financial services
Climate Change Capital Private Equity Limited	Ordinary	100%	Financial services
CCC Carbon Services ⁽¹⁾	Ordinary	100%	Management company
CCC Carbon General Partner Limited ⁽¹⁾	Ordinary	100%	Management company
CCC Carbon General Partner II Limited ⁽¹⁾	Ordinary	100%	Management company
Climate Change Capital International Limited ⁽¹⁾	Ordinary	100%	Service company
Climate Change Capital Incorporated ⁽²⁾	Ordinary	100%	Service company
Climate Change Capital Private Equity (GP) Limited	Ordinary	100%	GP of fund

Notes to the financial statements

at 31 December 2012

11. Investments (continued)

Climate Change Capital Private Equity Co-Investment (GP) Limited	Ordinary	100%	GP of co-invest fund
Climate Change Capital Private Equity Co-Investment LP	Partnership	41%	Co-investment fund
Climate Change Capital Scotland Private Equity (GP) Limited	Ordinary	100%	GP of carried int fund
Climate Change Capital Scotland Private Equity LP	Partnership	40%	Carried interest fund
Climate Change Capital Carbon Fund III Limited	Ordinary	100%	Dormant
Climate Change Advisory Limited	Ordinary	100%	Dormant
Climate Change Consulting Limited	Ordinary	100%	Dormant
Climate Change Developments Limited	Ordinary	100%	Dormant
Climate Change Emissions Limited	Ordinary	100%	Dormant
Climate Change Finance Limited	Ordinary	100%	Financial services
Climate Change Investments Limited	Ordinary	100%	Dormant
Climate Change Research Limited	Ordinary	100%	Dormant
Climate Change Risk Limited	Ordinary	100%	Dormant
Climate Change Trading Limited	Ordinary	100%	Dormant
CCP Carried Interest LP	Partnership	50%	Carried interest fund
Climate Change Property Limited	Ordinary	100%	Dormant
Climate Change Property (GP) Limited	Ordinary	100%	GP of fund
CCP Co-Invest (GP) Limited	Ordinary	100%	GP of co-invest fund
CCP Carried Interest (GP) Limited	Ordinary	100%	GP of carried int fund
CCC Seed Capital (General Partner) Limited	Ordinary	100%	GP of fund
Climate Change Capital (Hong Kong) Limited ⁽³⁾	Ordinary	100%	Service company
Climate Change Capital (Hong Kong) Investment Consulting Limited ⁽³⁾	Ordinary	100%	Service company
Climate Change Capital (Tianjin) Management Limited ⁽⁴⁾	Ordinary	100%	Financial services
Climate Change Capital (Tianjin) Investment Consulting Limited ⁽³⁾	Ordinary	100%	Financial services
The CCC Carbon Fund Limited ⁽¹⁾	Ordinary	100%	Dormant
The CCC Carbon Fund II Limited ⁽¹⁾	Ordinary	100%	Dormant
Climate Change Capital Wind Energy Limited ⁽⁵⁾	Ordinary	100%	Management company
Climate Change Capital Wind Energy Onshore Hold Co Limited ⁽⁵⁾	Ordinary	100%	Dormant
Climate Change Capital Wind Energy Offshore Hold Co Limited ⁽⁵⁾	Ordinary	100%	Dormant

All investments other than Climate Change Holdings Limited are held by subsidiary companies

⁽¹⁾ Incorporated in the Cayman Islands

⁽²⁾ Incorporated in the United States

⁽³⁾ Incorporated in Hong Kong

⁽⁴⁾ Incorporated in China

⁽⁵⁾ Incorporated in Channel Islands

Notes to the financial statements

at 31 December 2012

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Loan notes	-	-	4,000,000	4,000,000
Trade debtors	479,099	133,648	-	-
Amounts owed from group undertakings	-	-	-	711,208
Other debtors	4,610,249	2,115,625	-	61,095
Prepayments and accrued income	713,806	536,036	-	-
	<u>5,803,154</u>	<u>2,785,309</u>	<u>4,000,000</u>	<u>4,772,303</u>

Amounts falling due after more than one year included above are

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Loan notes	-	-	4,000,000	4,000,000

The loan note held by the Company relates to a non-interest bearing agreement with a subsidiary undertaking

13. Creditors

Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Trade creditors	280	293,393	-	-
Accruals and deferred income	4,245,678	7,323,797	39	530,693
Other taxes and social security costs	160,984	433,715	-	-
Corporation tax payable	-	25,000	-	-
Foreign taxes	27,410	75,930	-	-
Other creditors	349,806	102,640	989,697	10,534
	<u>4,784,158</u>	<u>8,254,475</u>	<u>989,736</u>	<u>541,227</u>

Amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Loan notes	-	3,430,000	-	3,430,000

Notes to the financial statements

at 31 December 2012

13. Creditors (continued)

During the year ended 31 December 2010, the company created and authorised the issue of £3,430,000 in Convertible Unsecured Loan Notes, on a maximum 8 year agreement on which, a 9% coupon is payable annually. In March 2012, as part of the acquisition by the Bunge Group of Climate Change Capital Group Limited, these Loan Notes were converted in "B" ordinary shares.

14. Obligations under operating leases

Annual commitments under non-cancellable operating leases as set out below

	2012	Land and buildings 2011 £
Operating leases which expire		
Within one year	840,375	-
In two to five years	54,673	897,095
	<u>897,048</u>	<u>897,095</u>

15. Share capital

	Allotted, called up and fully paid			
	2012		2011	
	No	£	No	£
"B" ordinary shares of 1p each	129,518,353	1,295,183	102,178,822	1,021,788
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
"A" ordinary shares of 1p each	61,095	611	61,095	611
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

On 19 March 2012, 27,289,530 and 1 "B" ordinary shares were issued at 12.81p and 20.70p each respectively with an aggregate nominal value £272,895 in exchange for settlement of £3,430,000 in Convertible Unsecured Loan Notes and accrued interest thereon of £65,789 (note 13).

An additional 50,000 "B" ordinary shares issued at £1.00 in relation to a non-executive share award vesting in a prior period was recognised during the year.

The issued share capital of the company comprises "B" ordinary and "A" ordinary shares. They have different rights in relation to shareholder distributions and return of capital as detailed in the Articles of Association of the company.

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15. Share capital (continued)

The following description is a summary only

The B ordinary shares confer one vote per share, and enjoy priority on the receipt of dividends to the A shares (prior to an "exit conversion") which only receive a dividend after a 12% return to B shareholders has been received for that year and then enjoy 30% of the balance of the dividend distributed. After an exit conversion any available profits of the company are distributed among the two classes of share in proportion to the number of shares held by them. An exit conversion is a change of control or a listing of the company.

On a return of capital prior to an exit conversion, assets are distributed first to the holders of B shares in such amount as is required to ensure their aggregate return up to a particular value. Thereafter, to the holders of A shares to the value of their subscription price, and subsequently to the holders of B shares and A shares in the ratio of 70/30. The threshold is set by reference to the original subscription price for B shares increased at an annual hurdle rate of 12%. After an exit conversion the assets are distributed in payment of the shares' subscription price and then in proportion to the number of shares held. A shares carry the right to vote only following an exit conversion. Ownership of A shares was transferred from the Managing Directors of the UK group to its immediate parent entity within the Bunge Limited group.

16. Reserves

<i>Group</i>	<i>Share premium account £</i>	<i>Revaluation reserve £</i>	<i>Special reserve £</i>	<i>Profit and loss account £</i>
At 1 January 2011	100,492,637	489,440	1,358,591	(95,430,416)
Issue of shares	-	-	-	-
Loss for the year	-	-	-	(3,935,682)
Gain/(loss) on revaluation of investments	-	(77,982)	-	27,822
Exchange difference on investment in subsidiary undertakings	-	(518,060)	-	496,429
Distribution of treasury shares	-	-	-	(733,782)
Share based payment	-	-	178,653	-
At 1 January 2012	100,492,637	(106,602)	1,537,244	(99,575,629)
Issue of shares	3,222,894	-	-	-
Loss for the year	-	-	-	(3,419,544)
Gain/(loss) on revaluation of investments	-	64,894	-	-
Exchange difference on investment in subsidiary undertakings	-	(20,219)	-	-
Share based payment (adjustment)	-	-	(500)	-
At 31 December 2012	103,715,531	(61,927)	1,536,744	(102,995,173)

Notes to the financial statements

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16. Reserves (continued)

<i>Company</i>	<i>Share premium account £</i>	<i>Special reserve £</i>	<i>Profit and loss account £</i>
At 1 January 2011	100,492,637	165,973	(89,721,131)
Loss for the year	-	-	(1,486,550)
Award of own shares	-	-	(733,782)
Share based payment	-	178,653	-
At 1 January 2012	100,492,637	344,626	(91,941,463)
Issue of shares	3,222,894	-	-
Loss for the year	-	-	(1,122,469)
Share based payment (adjustment)	-	(500)	-
At 31 December 2012	103,715,531	344,126	(93,063,932)

The special reserve is the cumulative effect of the equity-settled share based payment charge

17. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the year to 31 December 2012 is £Nil (2011 - £178,653)

Non-executive director award

During 2008, a share based award was granted to non-executive directors. The award vested annually in equal instalments over three years and as of 1 January 2012, all awards under the scheme were fully and unconditionally vested. Therefore there was no expense recognised for this scheme in respect of employee services received during the year to 31 December 2012 (2011 - £9,028)

Senior executive award

During 2011, a share based award was granted to two senior executives in office at the time and the award vested immediately. Therefore there was no expense recognised for this scheme in respect of employee services received during the year to 31 December 2012 (2011 - £169,625)

18. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £33,198 (2011 - £63,635) for the group and £nil (2011 - £nil) for the company. The amount relates to commitments to co-invest alongside third party funds managed by the group into investee companies.

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19. Derivatives

The group purchases forward foreign currency contracts to hedge currency exposure on group's future commitments. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows

	2012	2011
	£	£
Forward foreign currency contracts, unrealised gain/(loss)	183,936	109,925

In addition, since 2010 the company has entered into two emission reduction purchase agreements ("ERPAs") with project counterparties, whereby the company undertook to assume the obligations of buyer as principal

An ERPA is a long term contract to purchase Certified Emission Reductions ("CERs") from a Clean Development Mechanism project. A project is initially registered by the United Nations and CERs are then issued on a periodic basis as the project's emission reductions are monitored and verified.

The group has contracts covering 9.4 million tonnes of CERs, and will pay a floating price (percentage of then market index) upon issuance.

The group expenses all costs incurred in connection with the contract. Assuming the project is successfully registered and issues CERs to the maximum contracted volume, the undiscounted fair value of the contracts held at the balance sheet date, determined by reference to the forward price curve for CER futures, is as follows

	2012	2011
	£	£
Forward ERPA contracts, unrealised gain/(loss)	1,787,992	6,858,941

20. Related party transactions

During the year, the company recognised an interest charge of £65,789 (2011: £308,700) in relation to the Convertible Unsecured Loan Notes issued to shareholders during the year. At 31 December 2012, the total amount owed to shareholders was £Nil (2011: £3,738,700). In addition, a cash deposit from Climate Change Capital Limited, a wholly owned subsidiary, was provided to the immediate parent entity CCC International Holdings Limited as part of a Bunge Limited group treasury policy. At the end of the year the amounts owed from this related party was £3,000,000 (2011: £Nil).

The company is the parent undertaking of the largest and smallest group for which UK group financial statements are prepared.

Climate Change Capital Group Limited is a wholly owned subsidiary of CCC International Holdings Limited, which in turn is a wholly owned subsidiary of the Bunge Limited group. The directors regard Bunge Limited as the company's ultimate parent undertaking and controlling party at 31 December 2012.