

# **Climate Change Capital Group Limited**

Registered No: 06527842

## **Annual Report and Financial Statements**

31 December 2015



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## Corporate Information

**Director**

B Whitley

**Secretary**

B Whitley

**Auditor**

Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

**Banker**

HSBC Bank plc  
60 Queen Victoria Street  
London  
EC4N 4TR

**Registered office**

Room 113,  
65 London Wall  
London  
EC2M 5TU

## Strategic report

The director presents his strategic report for the year ended 31 December 2015.

Climate Change Capital Group Limited (the "Company") and its subsidiaries (collective the "Group") has prepared these financial statements under FRS 102 with a transition date of 1 January 2014, the transition note is note 16.

### Review of the business

The Group was an investment manager and advisor specialising in the opportunities generated by the transition to the low carbon economy however due to the March 2015 decision by its ultimate parent, there has been a scale back of the asset management business.

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

	2015	2014
Turnover (£000s)	2,020	4,664
Operating loss (£000s)	(2,974)	(4,484)
Loss after tax and minority interest (£000s)	(4,437)	(3,337)
Shareholder's funds (£000s)	1,336	2,715

The Group's reported turnover decreased to £2m in 2015 compared to £4.6m for the previous year mainly due to the following:

- In March 2015, the ultimate parent undertaking, Bunge Limited, decided to reduce the activity of the Company and its subsidiaries as part of a wider scale back of its asset management business and cessation of new business. The turnover of Climate Change Capital Limited ("CCC"), a subsidiary of the Group, was significantly reduced during 2015 due to the spin out of the Climate Change Capital Private Equity Fund and the ceasing of the advisory business at the end of June 2015.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Group are:

#### *Operational risk*

Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events including breaches of compliance with legal contracts and financial crimes.

These risks are managed through effective and efficient operational procedures which are reviewed periodically.

#### *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. Details of the Group's debtors are shown in note 9 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. Majority of the transactions and expenses are in local currency which minimises the effects of any currency exposure.

## Strategic report (continued)

### *Exposure to credit, market, interest rate and liquidity risk (continued)*

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.

On behalf of the Board



B Whitley  
Director  
30 September 2016

## Director's report

Registered No: 06527842

The director presents his report and financial statements for the year ended 31 December 2015.

### Results and dividends

The consolidated loss for the year, after taxation, is £4.4m (2014 - loss of £3.3m). The director does not recommend the payment of any dividends (2014: £nil).

### Going concern

The ultimate parent undertaking, Bunge Limited, decided in March 2015 to significantly scale back its asset management business, which includes the Group. This has resulted in a reduced level of business activity in the Group. The Company and Group will continue to earn income and incur expenses as the process of scaling back the asset management business is being undertaken in an orderly manner.

Given its positive equity position, the director has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. The director believes that it is therefore appropriate to continue to adopt the going concern basis in preparing the Annual Report and the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1, accounting policies, in the financial statements on page 16.

### Future Developments and Events after the Balance Sheet Date

As a result of the decision made by the ultimate parent to scale back the asset management business in March 2015, no new business will be pursued by the Company.

There have been no events after balance sheet date other than those referenced in note 18 to the financial statements.

### Research and Development

During 2015 and 2014 the company did not have any significant research and development activities.

### Existence of branches outside of the UK

The Company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

### Financial Risk Management Policies and Objectives

The Company's activities expose it to a number of financial risks including operational risk and exposure to credit, market, interest rate and liquidity risk. Details of financial risks are included in the Strategic report.

### Political Contributions

The Company did not make any political donations during the year (2014: £nil)

### Disabled Employees

Applications for employment by disabled persons are fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

## Director's report

Registered No: 06527842

### Employee consultation

The Group participates in the Bunge Limited policies and practices relating to current and prospective employees. These policies and procedures are outlined in the Bunge Limited Annual Report which does not generally form part of this report.

### Directors of the company

The current director is shown on page 1.

J Cameron resigned on 5 March 2015

E Alsembach resigned on 30 June 2015

A Kerschen resigned on 1 December 2015

B Whitley

### Disclosure of information to the auditor

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.

### Auditor

The director at the date of approval of this report confirms that:

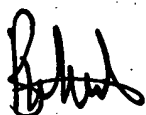
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- and the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Company's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

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

### Re-appointment of auditor

During the year Deloitte LLP were re-appointed as auditors of the Company and Group by the director. In accordance with s. 485 of the Companies Act 2006, the director proposes to re-appoint Deloitte LP as audited of the Company and Group at the Annual General Meeting.

On behalf of the Board



B Whitley  
Director

30 September 2016

## Statement of director's responsibilities

The director is responsible for preparing the Director's 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 director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 director is 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.



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## **Independent auditor's report**

**to the members of Climate Change Capital Group Limited**

We have audited the financial statements of Climate Change Capital Group Limited for the year ended 31 December 2015 which comprise of Group income statement, Group and Company statement of comprehensive income, Group and Company statement of changes in equity, Group and Company Statement of financial position, Group statement of cash flows and the related notes 1 to 18. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 director and auditor**

As explained more fully in the Statement of director's responsibilities, the director is 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 group's and the parent 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the parent company's affairs as at 31 December 2015 and of the Group's total comprehensive 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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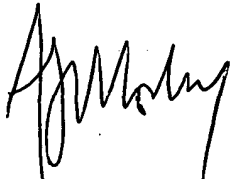
## **Independent auditors' report**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Alastair Morley (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom  
30 September 2016

**Group income statement**

for the year ended 31 December 2015

		2015	2014
			(restated)
	Notes	£	£
Turnover	2	2,019,911	4,663,580
<b>Gross profit</b>		<u>2,019,911</u>	<u>4,663,580</u>
Administrative expenses		(4,993,639)	(9,147,624)
<b>Operating loss</b>	3	<u>(2,973,728)</u>	<u>(4,484,044)</u>
Interest income		19,064	2,781
(Loss)/profit on disposal of fixed assets and investments		(1,482,375)	64,996
Write back of special reserve		-	1,192,618
<b>Loss on ordinary activities before taxation</b>		<u>(4,437,039)</u>	<u>(3,223,649)</u>
Taxation	6	-	(61,831)
<b>Loss for the financial year</b>		<u>(4,437,039)</u>	<u>(3,285,480)</u>
Loss attributable to non-controlling interests		-	(51,538)
<b>Loss for the year attributable to members of the parent company</b>		<u><u>(4,437,039)</u></u>	<u><u>(3,337,018)</u></u>

# Group and Company statement of comprehensive income

for the year ended 31 December 2015

## Group statement of comprehensive income

	2015	2014
		(restated)
	£	£
<b>Loss for the year attributable to members of the parent company</b>	(4,437,039)	(3,337,018)
Exchange difference on retranslation of net assets of subsidiary undertaking	-	(32,336)
Unrealised loss on revaluation of investments	-	59,537
Movement in reserves due to minority interest	(95,529)	163,812
Movement in accumulated loss due to deconsolidation	(1,080,404)	-
Correction of prior year profit and loss reserve 17	733,780	-
<b>Total other comprehensive (loss)/income for the year</b>	<u>(442,153)</u>	<u>191,013</u>
<b>Total recognised losses relating to the year</b>	<u>(4,879,192)</u>	<u>(3,146,005)</u>

## Company statement of comprehensive income

	2015	2014
	£	£
<b>Loss for the year attributable to members of the parent company</b>	(7,763,631)	(14,975,470)
Correction of prior year profit and loss reserve 17	733,780	-
<b>Total other comprehensive income for the year</b>	<u>733,780</u>	<u>-</u>
<b>Total recognised losses relating to the year</b>	<u>(8,497,411)</u>	<u>(14,975,470)</u>

# Statement of changes in equity

for the year ended 31 December 2015

Group	Called up share capital	Share Premium reserve	Revaluation Reserve	Special Reserve	Profit and loss account	Shareholders' equity
	£	£	£	£	£	£
<b>At 1 January 2014</b>	1,295,794	103,715,531	(95,484)	1,536,744	(105,398,997)	1,053,588
Loss for the year	-	-	-	-	(3,337,018)	(3,337,018)
Other comprehensive income	-	-	191,013	-	-	191,013
<b>Total comprehensive income</b>	-	-	191,013	-	(3,337,018)	(3,146,005)
Write back of special reserve	-	-	-	(1,192,618)	-	(1,192,618)
Reclassification of special reserve	-	-	-	(344,126)	344,126	-
New shares issued	6,000,000	-	-	-	-	6,000,000
<b>At 31 December 2014</b>	<u>7,295,794</u>	<u>103,715,531</u>	<u>95,529</u>	<u>-</u>	<u>(108,391,889)</u>	<u>2,714,965</u>
Loss for the year	-	-	-	-	(4,437,039)	(4,437,039)
Other comprehensive income	-	-	(95,529)	-	(346,624)	(442,153)
<b>Total comprehensive income</b>	-	-	(95,529)	-	(4,783,663)	(4,879,192)
New shares issued	3,500,000	-	-	-	-	3,500,000
<b>At 31 December 2015</b>	<u>10,795,794</u>	<u>103,715,531</u>	<u>-</u>	<u>-</u>	<u>(113,175,552)</u>	<u>1,335,773</u>

The notes on pages 16-31 form an integral part of the financial statements

## Statement of changes in equity

for the year ended 31 December 2015

Company	Called up share capital	Share Premium reserve	Special Reserve	Profit and loss account	Shareholders' equity
	£	£	£	£	£
<b>At 1 January 2014</b>	1,295,794	103,715,531	344,126	(94,353,154)	11,002,298
Loss for the year	-	-	-	(14,975,470)	(14,975,470)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(14,975,470)	(14,974,470)
Reclassification of special reserve	-	-	(344,126)	344,126	-
New shares issued	6,000,000	-	-	-	6,000,000
<b>At 31 December 2014</b>	<u>7,295,794</u>	<u>103,715,531</u>	<u>-</u>	<u>(108,984,498)</u>	<u>2,026,828</u>
Loss for the year	-	-	-	(7,763,631)	(7,763,631)
Other comprehensive income	-	-	-	733,780	733,780
Capital contribution received	-	-	-	498,272	498,272
<b>Total comprehensive income</b>	-	-	-	(6,531,579)	(6,531,579)
New shares issued	3,500,000	-	-	-	3,500,000
<b>At 31 December 2015</b>	<u>10,795,794</u>	<u>103,715,531</u>	<u>-</u>	<u>(115,516,077)</u>	<u>(1,004,752)</u>

The notes on pages 16-31 form an integral part of the financial statements

**Group statement of financial position**

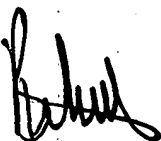
at 31 December 2015

Registered No. 06527842

	Notes	2015 £	2014 £ (restated)
<b>Fixed assets</b>			
Tangible assets	7	-	341,899
Investments	8	1,725	885,226
		<u>1,725</u>	<u>1,227,125</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	387,224	857,088
Other debtors		660,429	744,396
Prepayments		217,900	407,567
Cash at bank and in hand		878,939	2,979,653
		<u>2,144,492</u>	<u>4,988,704</u>
Creditors: amounts falling due within one year	10	(806,658)	(2,992,883)
<b>Net current assets</b>		<u>1,337,834</u>	<u>1,995,821</u>
<b>Total assets less current liabilities</b>		<u>1,339,559</u>	<u>3,222,946</u>
Minority interest		(3,786)	(507,981)
<b>Total net assets</b>		<u>1,335,773</u>	<u>2,714,965</u>
Called up share capital	12	10,795,794	7,295,794
Share premium account		103,715,531	103,715,531
Revaluation reserve		-	95,529
Profit and loss account		(113,175,552)	(108,391,889)
<b>Shareholder's funds</b>		<u>1,335,773</u>	<u>2,714,965</u>

The consolidated financial statements of the Company were approved for issue by the Board of Directors on 30 September 2016.

On behalf of the Board



B Whitley  
Director  
30 September 2016

## Company statement of financial position

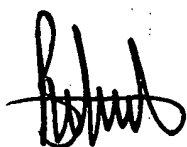
at 31 December 2015

Registered No. 06527842

	Notes	2015 £	2014 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	-	4,000,000
Cash at bank and in hand		6	26
		<u>6</u>	<u>4,000,026</u>
Creditors: amounts falling due within one year	10	(1,004,758)	(1,973,198)
<b>Net current assets</b>		<u>(1,004,752)</u>	<u>2,026,828</u>
<b>Total net assets</b>		<u>(1,004,752)</u>	<u>2,026,828</u>
Called up share capital	12	10,795,794	7,295,795
Share premium account		103,715,531	103,715,531
Profit and loss account		(115,516,077)	(108,984,498)
<b>Shareholder's funds</b>		<u>(1,004,752)</u>	<u>2,026,828</u>

The financial statements of the Company were approved for issue by the Board of Director's on 30 September 2016.

On behalf of the Board



B Whitley  
Director  
30 September 2016



**Group statement of cash flows**

for the year ended 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Net cash outflow from operating activities	3 (b)	<u>(5,619,778)</u>	<u>(4,684,579)</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		-	(100,889)
Payments to acquire investments in non-group companies		-	(159,097)
Receipts from sale of investments in non-group companies		-	126,651
<b>Net cash flow from investing activities</b>		<u>-</u>	<u>(133,335)</u>
<b>Financing activities</b>			
Interest received		19,064	2,781
Issue of ordinary share capital		3,500,000	6,000,000
<b>Net cash flow from financing activities</b>		<u>3,519,064</u>	<u>6,002,781</u>
<b>(Increase) / decrease in cash and cash equivalents</b>		<u>(2,100,714)</u>	<u>1,184,867</u>
Cash and cash equivalents at 1 January		<u>2,979,653</u>	<u>1,794,786</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u>878,939</u></u>	<u><u>2,979,653</u></u>

## Notes to the financial statements

for the year ended 31 December 2015

### 1. Accounting policies

#### *Statement of compliance*

The Company is a limited liability company incorporated in England under the Companies Act. The registered office is Room 113, 65 London Wall, London, EC2M 5TU.

The principal activity of the Company and Group was an investment manager and advisor specialising in the opportunities generated by the transition to the low carbon economy, however due to the March 2015 decision by its ultimate parent, there has been a scale back of the asset management business.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 December 2015.

The Group transitioned from previously extant UK GAAP to FRS 102 for the year ending 31 December 2015 and have presented restated comparative information in these financial statements to reflect the change in accounting standards applied. The explanation of the transition is contained in note 16.

In publishing the parent company financial statements here together with the Group financial statements, CCCG has taken advantage of the exemption in section 408(3) of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these financial statements.

#### *Basis of preparation*

The financial statements of the Group were approved for issue by the Board of Director on 30 September 2016.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102). The financial statements are presented in pounds sterling which is the functional currency of the Company.

#### *Basis of consolidation*

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Company 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 partnerships; 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*

The ultimate parent undertaking, Bunge Limited, decided in March 2015 to significantly scale back its asset management business, which includes the Group. This has resulted in a reduced level of business activity in the Group. The Company and Group will continue to earn income and incur expenses as the process of scaling back the asset management business is being undertaken in an orderly manner and is likely to take longer than a year.

Given the Company and Group's positive equity position, the director has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. The director believes that it is, therefore, appropriate to continue to adopt the going concern basis in preparing the Annual Report and the financial statements.

## Notes to the financial statements

for the year ended 31 December 2015

### 1. Accounting policies (continued)

#### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimations have had the most significant effect on amounts recognised in the financial statements.

#### *Loans*

The Company has extended loans to other Group entities. In determining the value of the loans to the Company, management makes assumptions regarding the expected recoverability of those loans.

#### *Taxation*

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

#### *Fixed asset investments*

Fixed asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the Statement of comprehensive income. Subsequently, they are recognised at cost less impairment.

#### *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. Further details are contained in note 7.

#### *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.

## Notes to the financial statements

for the year ended 31 December 2015

### 1. Accounting policies (continued)

#### *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.

#### *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.

#### *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 Statement of comprehensive income.

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 Statement of comprehensive income.

#### *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.

#### *Deferred tax*

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing difference reverses, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Open Contracts*

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 13 for details of these agreements).

#### *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised, in the Income Statement, in operating expenses.

# Notes to the financial statements

for the year ended 31 December 2015

## 1. Accounting policies (continued)

### *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.

## 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:

	2015 £	2014 £
Investment management	854,911	3,732,651
Advisory/consulting	1,165,000	930,929
	<u>2,019,911</u>	<u>4,663,580</u>

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	1,716,962	4,300,235
Rest of Europe	-	231,666
Other	302,949	131,679
	<u>2,019,911</u>	<u>4,663,580</u>

# Notes to the financial statements

for the year ended 31 December 2015

## 3. Group operating loss

(a) This is stated after charging:

	2015 £	2014 £
Auditor's remuneration (note 4)	111,200	108,500
Depreciation of owned fixed assets (note 7)	124,120	143,669
Operating lease rentals - land and buildings	540,866	535,210

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

	2015 £	2014 £
Operating loss	(2,973,728)	(4,484,044)
Depreciation of tangible fixed assets	124,020	143,669
Loss on disposal of fixed assets	217,879	-
Loss on disposal of group investments	(2,183,473)	-
Decrease in debtors	647,969	1,590,584
Decrease in creditors	(2,186,225)	(2,128,943)
Correction of prior year error in parent company	733,780	-
Provision for taxation	-	(48,238)
FX revaluation	-	(441)
Revaluation adjustment	-	256,426
Overseas tax paid	-	(13,592)
	(5,619,778)	(4,684,579)

## 4. Auditor's remuneration

The remuneration of the auditor's is further analysed as follows:

	2015 £	2014 £
Audit of the financial statements *	111,200	108,500
	111,200	108,500

\* The audit fees of the Company and the Group are borne by Climate Change Holdings Limited ("CCH").

# Notes to the financial statements

for the year ended 31 December 2015

## 5. Staff costs

### (a) Staff costs

	2015 £	2014 £
Wages and salaries	2,257,896	5,433,151
Social security costs	282,886	557,092
	<u>2,540,782</u>	<u>5,990,243</u>

During 2015, the costs associated with redundancy were £1,437,348 (2014: £494,295) and are included in the above number.

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

	2015 No.	2014 No.
Investment management and advisory	6	24
Management	1	3
Administration	6	13
	<u>13</u>	<u>37</u>

### (b) Directors' emoluments

	2015 £	2014 £
Aggregate emoluments in respect of qualifying services	<u>939,145</u>	<u>279,562</u>
	£	£
In respect of the highest paid director: Aggregate emoluments	<u>489,542</u>	<u>238,312</u>

During 2015 no amount was payable to any director as compensation for loss of office as a director (2014: £nil).

## Notes to the financial statements

for the year ended 31 December 2015

### 6. Taxation

#### (a) Tax on loss on ordinary activities

	2015	2014
	£	£
<i>Current tax:</i>		
UK corporation tax at 20.25% (2014: 21.5%)	-	-
Foreign tax	-	61,831
Total current tax charge (see note 6(b))	-	61,831

#### (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 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	£	£
Loss on ordinary activities before tax	(4,437,039)	(3,243,947)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	(898,500)	(697,124)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	69,977	4,682,120
Income not taxable for tax purposes	(1,428,490)	(4,989,232)
Capital allowances in arrears of depreciation	-	25,305
Movement in short term timing differences on which no deferred tax is recognised	(6,304)	-
Current year losses on which no deferred tax is recognised	2,263,504	1,031,715
Utilisation of brought forward tax losses	(187)	-
Foreign tax on overseas earning	-	9,047
Total current tax for the year (see note 6(a))	-	61,831



## Notes to the financial statements

for the year ended 31 December 2015

### 6. Taxation (continued)

#### (c) Deferred taxation

##### Group

Deferred tax is analysed as follows:

	2015 £	2014 £
Depreciation in advance of capital allowances	441,724	490,804
Tax losses carried forward	6,111,554	5,335,721
Other timing differences	1,154,131	1,282,368
Unrecognised deferred tax asset	<u>7,707,409</u>	<u>7,108,893</u>

##### Company

Deferred tax is analysed as follows:

	2015 £	2014 £
Tax losses carried forward	1,054,866	1,042,782
Other timing differences	-	76,701
Unrecognised deferred tax asset	<u>1,054,866</u>	<u>1,119,483</u>

The main rate of corporation tax reduced to 20% from 1 April 2015. Further reductions in the corporation rate to 19% from 1 April 2017 and 18 from 1 April 2020 were substantively enacted at the balance sheet date, and as such the unrecognised deferred tax balances shown above arising in respect of losses and short term timing differences is based on the reduced rate of 18%. The total unrecognised deferred tax asset is £7,707,409 (2014: £7,108,893)

In accordance with the policy stated in Note 1, no asset has been recognised in the balance sheet at the balance sheet date as the director does not currently consider it more than likely that there will be suitable taxable profits to offset this deferred balance.

## Notes to the financial statements

for the year ended 31 December 2015

### 7. Tangible fixed assets

	Leasehold improvements	Plant and machinery, fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost:</b>				
At 1 January 2014	884,598	357,497	599,021	1,841,116
Additions	7,433	16,522	77,069	101,024
Disposals	(44,891)	(36,570)	-	(81,461)
At 31 December 2014	847,140	337,449	676,090	1,860,679
Additions	-	-	4,645	4,645
Disposals	(847,140)	(337,449)	(680,735)	(1,865,324)
<b>At 31 December 2015</b>	-	-	-	-
<b>Dépreciation:</b>				
At 1 January 2014	673,389	357,497	425,560	1,456,446
Provided during the year	54,678	4,730	84,260	143,668
Disposals	(44,764)	(36,570)	-	(81,334)
At 31 December 2014	683,303	325,657	509,820	1,518,780
Provided during the year	42,880	4,588	76,652	124,120
Disposals	(726,183)	(330,245)	(586,472)	(1,642,900)
<b>At 31 December 2015</b>	-	-	-	-
<b>Net book value:</b>				
<b>At 31 December 2015</b>	-	-	-	-
At 1 January 2015	163,837	11,792	166,270	341,899

A number of the fixed assets of the Company were sold to staff, other Bunge Group companies and third parties. In February 2016 the remaining leasehold improvements were surrendered as part of the surrender of the lease (see note 18) and all remaining assets that were held by the company were scrapped for no consideration. As a result the remaining assets held at 31 December 2015 have been written off to nil.

## Notes to the financial statements

for the year ended 31 December 2015

### 8. Investments in unlisted companies and subsidiaries

#### *Investments in unlisted companies*

##### *Group*

	<i>Unlisted Investments £</i>
Cost:	
At 1 January 2015	885,226
Disposals	(883,501)
	<hr/>
At 31 December 2015	1,725
	<hr/> <hr/>

All investments are unlisted.

On 3 March 2015 Climate Change Finance Limited ("CCF") transferred its interest in CPE Scotland Private Equity LP for consideration of £3.

Also on 3 March 2015 CCF transferred its interest in CPE Private Equity Co-Investment LP for no consideration.

#### *Investments in subsidiaries*

##### *Company*

	<i>Total £</i>
Cost:	
At 1 January 2015	96,713,330
Additions	3,500,000
	<hr/>
At 31 December 2015	100,213,330
	<hr/> <hr/>
Amounts provided:	
At 1 January 2015	(96,713,330)
During the period	(3,500,000)
	<hr/>
At 31 December 2015	(100,213,330)
	<hr/> <hr/>
Net book value:	
At 1 January 2015	-
	<hr/>
At 31 December 2015	-
	<hr/> <hr/>

## Notes to the financial statements

for the year ended 31 December 2015

### 8. Investments in unlisted companies and subsidiaries

#### Subsidiary undertakings currently held

<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%	Management company
Climate Change Capital Limited	Ordinary.	100%	Financial services
CCC Carbon Services <sup>(1)</sup>	Ordinary	100%	Financial services
CCC Carbon General Partner II Limited <sup>(1)</sup>	Ordinary	100%	General partner of LP
Climate Change Capital International Limited <sup>(1)</sup>	Ordinary	100%	Service company
Climate Change Capital Private Equity Limited	Ordinary	100%	Holding company
Climate Change Capital Private Equity Co-Investment (GP) Limited	Ordinary	100%	No longer actively trading
Climate Change Capital Scotland Private Equity (GP) Limited	Ordinary	100%	No longer actively trading
Climate Change Advisory Limited	Ordinary	100%	No longer actively trading
Climate Change Finance Limited	Ordinary	100%	Holding company
CCP Carried Interest LP	Ordinary	50%	Carried interest fund
Climate Change Property Limited	Ordinary	100%	No longer actively trading
Climate Change Property (GP) Limited	Ordinary	100%	No longer actively trading
CCP Co-Invest (GP) Limited	Ordinary	100%	General partner of LP
CCP Carried Interest (GP) Limited	Ordinary	100%	General partner of LP
CCC Seed Capital (GP) Limited	Ordinary	100%	General partner of LP
Climate Change Capital (Hong Kong) Limited <sup>(3)</sup>	Ordinary	100%	No longer actively trading
PT GB Carbon Solutions Services Indonesia <sup>(6)</sup>	Ordinary	100%	No longer actively trading
Genpower Carbon Solution Services (Malaysia) Sdn Bhd <sup>(7)</sup>	Ordinary	100%	No longer actively trading

#### Subsidiary undertaking movements during the year

<i>Name</i>	<i>Closed/Sold</i>	<i>Nature of business</i>
CCC Carbon General Partner Limited <sup>(1)</sup>	Closed	General Partner of LP
Climate Change Capital Incorporated <sup>(2)</sup>	Closed	Service company
Climate Change Capital Private Equity (GP) Limited	Sold	General partner of LP
Climate Change Capital Private Equity Co-Investment LP	Sold	Co-Investment fund
Climate Change Capital Scotland Private Equity LP	Sold	Carried interest fund
Climate Change Capital Carbon Fund III Limited	Closed	Dormant
Climate Change Consulting Limited	Closed	Dormant
Climate Change Developments Limited	Closed	Dormant
Climate Change Emissions Limited	Closed	Dormant
Climate Change Investments Limited	Closed	Dormant
Climate Change Research Limited	Closed	Dormant
Climate Change Risk Limited	Closed	Dormant
Climate Change Trading Limited	Closed	Dormant

## Notes to the financial statements

for the year ended 31 December 2015

### 8. Investments in unlisted companies and subsidiaries (continued)

Climate Change Capital (Hong Kong) Investment Consulting Limited <sup>(4)</sup>	Closed	Service company
Climate Change Capital (Tianjin) Investment Consulting Limited <sup>(4)</sup>	Closed	Service company
Climate Change Capital Wind Energy Limited <sup>(5)</sup>	Closed	Holding company

#### *Subsidiary undertaking movements during the year (continued)*

Climate Change Capital Wind Energy Offshore Hold Co Limited	Closed	Service company
Climate Change Capital Wind Energy Onshore Hold Co Limited	Closed	Service company
Climate Change Capital (Tianjin) Management Limited <sup>(3)</sup>	Closed	Service company

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

<sup>(1)</sup> Incorporated in the Cayman Islands

<sup>(2)</sup> Incorporated in the United States

<sup>(3)</sup> Incorporated in Hong Kong

<sup>(4)</sup> Incorporated in China

<sup>(5)</sup> Incorporated in Guernsey

<sup>(6)</sup> Incorporated in Indonesia

<sup>(7)</sup> Incorporated in Malaysia

### 9. Debtors: amounts falling due within one year

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Loan notes	-	-	-	-
Trade debtors	31,254	352,663	-	-
Other loans	42,467	190,596	-	-
Amounts due from related parties	313,503	313,829	-	-
	<u>387,224</u>	<u>857,088</u>	<u>-</u>	<u>-</u>

As a result of the decision by management to scale back the asset management business the Company assessed the recoverability of its amounts due from related parties and Loan notes. As a result an amount of £4,000,676 was deemed non-recoverable and expensed to the Statement of comprehensive income.

## Notes to the financial statements

for the year ended 31 December 2015

### 10. Creditors: amounts falling due within one year

Amounts falling due within one year:

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Trade creditors	10,670	18,201	-	-
Accruals and deferred income	713,622	2,772,665	39	39
Other taxes and social security costs	35,028	91,457	-	-
Foreign taxes	-	48,239	-	-
Other creditors	47,338	62,321	1,004,718	1,973,159
	<u>806,658</u>	<u>2,992,883</u>	<u>1,004,757</u>	<u>1,973,198</u>

As a result of the decision by management to scale back the asset management business there was an assessment carried out by all entities within the Group of the recoverability of intercompany receivables. As a result of this the entity received a capital contribution of £498,272 as forgiveness of these receivables. This amount is amount shown in the Statement of changes in equity.

### 11. Obligations under operating leases

At 31 December 2015, the Company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	2015	2014
	£	£
Operating leases which expire:		
Within one year	667,265	667,265
In two and five years	778,476	1,445,741
	<u>1,445,741</u>	<u>2,113,006</u>

In March 2015 the parent undertaking, Bunge Limited, decided to scale back its asset management business. As a result in February 2016 the Company early terminated the lease for its premises the amounts shown in the table above reflect the liability at balance date before the contract was terminated.

### 12. Share capital

	<i>Allotted, called up and fully paid</i>		<i>Allotted, called up and fully paid</i>	
	No.	2015 £	No.	2014 £
Ordinary shares of 1p each	1,079,579,448	10,795,794	729,579,448	7,295,794
	<u>1,079,579,448</u>	<u>10,795,794</u>	<u>729,579,448</u>	<u>7,295,794</u>

## Notes to the financial statements

for the year ended 31 December 2015

### 13. Open contracts

Since 2010 the group 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.

In 2013, the Group entered into a Deed of Assignment to transfer the rights, interests, obligations and liabilities of one of the ERPA contracts to another Bunge group company and is therefore no longer disclosed at undiscounted fair value.

On 30 September 2014, the Group terminated the remaining ERPA on its books with no outstanding obligations although two CERs deliveries were still outstanding at the end of 2014. The fair value of the two deliveries less associated costs at 31 December 2014 was a loss of £28k. The two outstanding deliveries occurred in 2015. As a result the Group no longer has any obligations, under an ERPA.

### 14. Related party transactions

As at year end the Group had a receivable from Bunge group entities of £308,446 (2014: £78,105) in relation to office expenses paid by the Group.

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

On the 31 July 2015, a related party to the Company and Group acquired all the limited partners' interests in the CCC Carbon Fund II Limited Partnership.

### 15. Ultimate parent undertaking and controlling party

The Company 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 2015.

## Notes to the financial statements

for the year ended 31 December 2015

### 16. Transition to FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

The impact from the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 January 2014

	£
Equity Shareholders funds at 1 January 2014 under previous UK GAAP	1,121,220
Holiday pay accrual	(67,632)
Equity Shareholders funds at 1 January 2014 under FRS 102	<u>1,053,588</u>

#### Reconciliation of equity at 1 January 2015

	£
Equity Shareholders funds at 1 January 2015 under previous UK GAAP	2,762,299
Holiday pay accrual	(47,334)
Equity Shareholders funds at 1 January 2015 under FRS 102	<u>2,714,965</u>

#### Holiday pay accrual

Under the previous UK GAAP, the Company did not accrue for holiday that was earned but was expected to be taken in the subsequent financial year. Under FRS 102, the Company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to increase holiday pay accrued by £67,632 and £47,334 for the Company at 1 January 2014 and 1 January 2015 respectively.

#### Reconciliation of profit and loss for the year ended 31 December 2014

	£
Loss for the year ended 31 December 2014 under previous UK GAAP	(3,166,303)
Holiday pay accrual	20,298
Loss for the year ended 31 December 2014 under FRS 102	<u>(3,146,005)</u>

#### Holiday pay accrual

As a result of the requirement to accrue for holiday that was earned but not taken at the date of the statement of financial position, there is a charge of £20,298 to the income statement for the year ended 31 December 2014, recognising the increase in the holiday pay accrual over the year.



## Notes to the financial statements

for the year ended 31 December 2015

### 17. Correction of prior year profit and loss reserve

While preparing the 2015 financial statements it was discovered that there was an error in the profit and loss reserve and intercompany balance for the Company for an amount of £733,780. This has been corrected in the current year. This error is the result of a prior year consolidation adjustment mistakenly being recorded in the Company.

### 18. Post balance sheet event

The company finalised negotiations on an agreement to terminate its lease over the property at 3 More London Riverside effective 19 February 2016. No monetary impact of the negotiation to finalise the termination of the lease has been recognised in the current financial year as negotiations were only finalised in January 2016. The lease surrender fee payable as a result of these negotiations was £1.2mil including VAT.

On 26 February 2016 there was a capital injection of £350,000 by CCC International Holdings Limited.