

AMENDING

**DELPHINUS CARBON LLP
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 5 APRIL 2007**

LLP Number OC312106

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DELPHINUS CARBON LLP

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DELPHINUS CARBON LLP

MEMBERS' REPORT FOR THE YEAR ENDED 5 APRIL 2007

PRINCIPAL ACTIVITIES

The principal activity of the LLP was the trading of carbon dioxide emissions allowances

DESIGNATED MEMBERS

The following designated members have held office during the year

- Carbon Capital Ltd
- P Ropner

MEMBERS' DRAWINGS AND CAPITAL

It is intended that for the first three years of partnership all trading profits are reinvested in the business. Thereafter all trading profits will be distributed in the accounting period to the members pro rata to their respective subscriptions. Such distributions will be made after allowing for the ongoing requirements of the business shown in the annual budget.

MEMBERS' RESPONSIBILITIES

Company law requires the members to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing those financial statements, the partnership is required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the firm will continue in business

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable the firm to ensure that the financial statements comply with the Companies Act 1985. The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

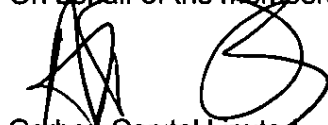
DELPHINUS CARBON LLP

**MEMBERS' REPORT
FOR THE YEAR ENDED 5 APRIL 2007 – continued**

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) relating to small limited liability partnerships

On behalf of the members



Carbon Capital Limited

07 - 12 - 07

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELPHINUS CARBON LLP

We have audited the financial statements of Delphinus Carbon LLP on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7

This report is made solely to the members of the limited liability partnership, as a body, in accordance with Regulation 3 of the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the members of the limited liability partnership 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 limited liability partnership and the members of the limited liability partnership as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The members' responsibilities for the preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Members' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Liability Partnership Act 2000. We also report to you if, in our opinion, the Members' reports are not consistent with the financial statements, if the limited liability partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the partnership's affairs as at 5 April 2007 and of its result for the period then ended, and
- have been properly prepared in accordance with the Limited Liability Partnership Act 2000.

In our opinion the information given in the Members' Report is consistent with the Financial Statements.

Tenon Audit Limited

12 December 2007

TENON AUDIT LIMITED
Registered Auditors
66 Chiltern Street
London
W1U 4JT

DELPHINUS CARBON LLP

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2007**

		2007	2006
	Note	£	£
TURNOVER	2	2,698	185
Cost of sales		(1,846)	(140)
		<hr/>	<hr/>
GROSS PROFIT		852	45
Interest received		2,759	3,458
Administration expenses		(57,623)	(422,028)
Impairment of investments		-	(683,000)
		<hr/>	<hr/>
OPERATING (LOSS)	3	(54,012)	(1,101,525)
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(54,012)	(1,101,525)
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
(LOSS) FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION CHARGED AS AN EXPENSE		(54,012)	(1,101,525)
Members' share of losses charged as an expense	9	54,012	1,101,525
		<hr/>	<hr/>
(LOSS) FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONGST MEMBERS		-	-
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those dealt with in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

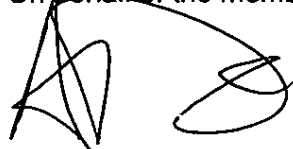
BALANCE SHEET AT 5 APRIL 2007

		2007		2006	
	Note	£	£	£	£
FIXED ASSET INVESTMENTS	5		-		-
CURRENT ASSETS					
Stock	6	400		635	
Debtors	7	181,694		189,750	
Cash at Bank		48,730		91,706	
		<u>230,824</u>		<u>282,091</u>	
CREDITORS: Amounts falling due within one year	8	12,728		9,982	
		<u></u>		<u></u>	
NET CURRENT ASSETS			218,096		272,108
			<u></u>		<u></u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			218,096		272,108
			<u></u>		<u></u>
REPRESENTED BY:					
Non- equity interests					
Other reserves			(8,288,339)		(8,234,327)
Equity					
Members' capital			8,506,435		8,506,435
			<u></u>		<u></u>
TOTAL MEMBERS' INTERESTS	10		218,096		272,108
			<u></u>		<u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) relating to small limited liability partnerships and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the members on 07-12-07

On behalf of the members,



Carbon Capital Limited

The notes on pages 7 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2007**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same accounts

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Statement of Recommended Practice Accounting by Limited Liability Partnerships and the Financial Reporting Standard for Smaller Entities (effective January 2005)

(b) Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred

(c) Option Agreement

The partnership has entered into an option to buy and sell assets. This option, exercisable during the period 2009 to 2012, is valued at the lower of cost and net realisable value

(d) Other reserves

To the extent that the LLP has generated trading losses which are not recoverable from members these are carried forward as a debit balance on other reserves. Future profits will be credited against these losses

(e) Foreign exchange

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

2. TURNOVER

The limited liability partnership's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the period

All turnover arose in the United Kingdom

3. OPERATING LOSS

	2007	2006
	£	£
Operating profit is stated after charging		
Auditors' remuneration and expenses	2,750	2,750

DELPHINUS CARBON LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2007 - continued**

4. FEES PAYABLE TO DESIGNATED MEMBER	2007 £	2006 £
Fees paid under management agreement	<u>25,519</u>	<u>25,494</u>
5. FIXED ASSET INVESTMENTS	2007 £	2006 £
Balance brought forward	-	-
Investments made during the period	-	683,000
Less impairment of investment	<u>-</u>	<u>(683,000)</u>
Balance carried forward	<u>-</u>	<u>-</u>
6. STOCK	2007 £	2006 £
Carbon credits for resale	<u>400</u>	<u>635</u>
7. DEBTORS	2007 £	2006 £
Other debtors	<u>181,694</u>	<u>189,749</u>
Included within other debtors is a balance of £181,694 (2006 £181,694) due greater than one year		
8. CREDITORS: Amounts falling due within one year	2007 £	2006 £
Trade creditors	2,150	2,679
Other creditors	7,428	3,803
Accruals	3,150	3,500
	<u>12,728</u>	<u>9,982</u>

DELPHINUS CARBON LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2007 - continued**

9. DIVISION OF NET LOSS
Year ended 05/04/2007

	<i>Percentage Interest in Partnership</i>	<i>Year Ended 05/04/2007</i>
<i>Designated Members</i>		
Carbon Capital Ltd	0 00%	-
P Ropner	0 00%	-
R Barnes	1 17%	(636)
G Barrett	2 57%	(1,390)
C P Barnington	2 35%	(1,270)
M J Belton	3 64%	(1,968)
F P Bleines	11 76%	(6,349)
R M Bloom	0 72%	(391)
M Brooker	0 52%	(279)
D Carlton	0 44%	(238)
R H Chatterton	5 00%	(2,698)
A R Combellack	1 54%	(832)
A P Doherty	0 57%	(310)
R Dunbar	0 35%	(187)
S Dziuba	1 89%	(1,021)
A B Ford	1 45%	(784)
J Gates	1 53%	(825)
J E Harns	2 73%	(1,475)
K W Henderson	1 45%	(781)
S F Hood	1 17%	(635)
J H Leadbetter	0 59%	(317)
C Levy-Marchal	0 86%	(467)
M Maxted	3 09%	(1,669)
D J Pemberton	5 48%	(2,962)
J M Platt	4 41%	(2,381)
D A Rennie	1 92%	(1,035)
M W Richards	0 07%	(37)
K Sally(acting as Executrix to the late David Sally)	2 20%	(1,186)
T M Santry	0 88%	(476)
R A Sawyer	3 61%	(1,949)
D M Shand	1 59%	(859)
J J Slawson	0 36%	(197)
R J Smith	0 69%	(372)
P Stanford	7 05%	(3,808)
Y L Steele	4 49%	(2,424)
D W Swannell	1 54%	(829)
N Taylor	1 07%	(579)
A K Thomas	0 59%	(317)
R M Tite	0 69%	(372)
S Torrenco	1 94%	(1,048)
M J Turner	0 29%	(159)
A Van Hese	1 06%	(571)
G M Wade	0 12%	(63)
G F Walker	1 61%	(870)
G R Ward	1 17%	(635)
P A Watts	1 47%	(794)
A Webb	4 46%	(2,405)
J M West	1 17%	(635)
J Wharrad	4 44%	(2,399)
G M Wigley	0 24%	(128)
	<hr/>	<hr/>
	100 00%	(54,012)

DELPHINUS CARBON LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2007 - continued

10. MEMBERS INTERESTS

	Acquired	Paid in Capital	Other Reserves at 05/04/2006	Loss for the Year	Drawings	Total	Loans and Other Debts Due from Members	Balance at 05/04/2007
R Barnes	1 17%	100,000	(96,801)	(636)	-	(97,437)	-	2,563
G Barrett	2 57%	218,750	(211,753)	(1,390)	-	(213,143)	-	5,607
C P Barnington	2 35%	200,000	(193,602)	(1,270)	-	(194,872)	-	5,128
M J Belton	3 64%	310,000	(300,084)	(1,968)	-	(302,052)	-	7,948
F P Bleines	11 76%	1,000,000	(968,012)	(6,349)	-	(974,361)	-	25,639
R M Bloom	0 72%	61,555	(59,586)	(391)	-	(59,977)	-	1,578
M Brooker	0 52%	44,000	(42,593)	(279)	-	(42,872)	-	1,128
D Carlton	0 44%	37,500	(36,300)	(238)	-	(36,538)	-	962
R H Chatterton	5 00%	425,000	(411,405)	(2,698)	-	(414,103)	-	10,897
A R Combella	1 54%	131,105	(126,911)	(832)	-	(127,743)	-	3,362
A P Doherty	0 57%	48,752	(47,193)	(310)	-	(47,503)	-	1,249
R Dunbar	0 35%	29,500	(28,556)	(187)	-	(28,743)	-	757
S Dzuba	1 89%	160,750	(155,608)	(1,021)	-	(156,629)	-	4,121
A B Ford	1 45%	123,455	(119,506)	(784)	-	(120,290)	-	3,165
J Gates	1 53%	130,000	(125,842)	(825)	-	(126,667)	-	3,333
J E Hams	2 73%	232,295	(224,864)	(1,475)	-	(226,339)	-	5,956
K W Henderson	1 45%	122,985	(119,051)	(781)	-	(119,832)	-	3,153
S F Hood	1 17%	100,000	(96,801)	(635)	-	(97,436)	-	2,564
J H Leadbetter	0 59%	49,856	(48,261)	(317)	-	(48,578)	-	1,278
C Levy-Marchal	0 86%	73,569	(71,216)	(467)	-	(71,683)	-	1,886
M Maxted	3 09%	262,846	(254,438)	(1,669)	-	(256,107)	-	6,739
D J Pemberton	5 48%	466,435	(451,515)	(2,962)	-	(454,477)	-	11,958
J M Platt	4 41%	375,000	(363,004)	(2,381)	-	(365,385)	-	9,615
D A Rennie	1 92%	162,980	(157,767)	(1,035)	-	(158,802)	-	4,178
M W Richards	0 07%	5,808	(5,622)	(37)	-	(5,659)	-	149
K Sally(acting as Executrx to the late David Sally)	2 20%	186,750	(180,776)	(1,186)	-	(181,962)	-	4,788
T M Santry	0 88%	75,000	(72,601)	(476)	-	(73,077)	-	1,923
R A Sawyer	3 61%	306,925	(297,107)	(1,949)	-	(299,056)	-	7,869
D M Shand	1 59%	135,270	(130,943)	(859)	-	(131,802)	-	3,468
J J Slawson	0 36%	31,000	(30,008)	(197)	-	(30,205)	-	795
R J Smith	0 69%	58,525	(56,653)	(372)	-	(57,025)	-	1,500
P Stanford	7 05%	600,000	(580,807)	(3,808)	-	(584,615)	-	15,385
Y L Steele	4 49%	381,690	(369,480)	(2,424)	-	(371,904)	-	9,786
D W Swannell	1 54%	130,590	(126,413)	(829)	-	(127,242)	-	3,348
N Taylor	1 07%	91,161	(88,245)	(579)	-	(88,824)	-	2,337
A K Thomas	0 59%	50,000	(48,401)	(317)	-	(48,718)	-	1,282
R M Tite	0 69%	58,606	(56,731)	(372)	-	(57,103)	-	1,503
S Torrenco	1 94%	165,000	(159,722)	(1,048)	-	(160,770)	-	4,230
M J Turner	0 29%	25,000	(24,200)	(159)	-	(24,359)	-	641
A Van Hese	1 06%	90,000	(87,121)	(571)	-	(87,692)	-	2,308
G M Wade	0 12%	10,000	(9,680)	(63)	-	(9,743)	-	257
G F Walker	1 61%	137,080	(132,695)	(870)	-	(133,565)	-	3,515
G R Ward	1 17%	100,000	(96,801)	(635)	-	(97,436)	-	2,564
P A Watts	1 47%	125,000	(121,001)	(794)	-	(121,795)	-	3,205
A Webb	4 46%	378,705	(366,591)	(2,405)	-	(368,996)	-	9,709
J M West	1 17%	100,000	(96,801)	(635)	-	(97,436)	-	2,564
J Wharrad	4 44%	377,810	(365,724)	(2,399)	-	(368,123)	-	9,687
G M Wigley	0 24%	20,181	(19,535)	(128)	-	(19,663)	-	518
<i>Designated Members</i>								
Carbon Capital Ltd	0 00%	1	-	-	-	-	-	1
	100 00%	8,506,435	(8,234,327)	(54,012)	-	(8,288,339)	-	218,096

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2007 - continued**

11. POST BALANCE SHEET EVENTS

Since the Balance Sheet date the partnership has entered into an option agreement with a third party giving that party the right to buy the business of the partnership

To date this option has not been exercised

12. ULTIMATE CONTROLLING PARTY

No individual member has overall control of the partnership