

Sindicatum Carbon Capital Trading Limited

Company Registration Number: 05842117

Annual Report and Financial Statements

For the year ended 31 December 2008

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Sindicatum Carbon Capital Trading Limited
Annual Report and Financial Statements for the year ended 31 December 2008

Directors and Advisers

Directors

Mr A Razzouk

Company Secretary

Mr N Kelly

Company registration number:
05842117

Registered office:

33 Duke Street
London
W1U 1JY

Independent Auditors:

PriceWaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

Sindicatum Carbon Capital Trading Limited
Annual Report and Financial Statements for the year ended 31 December 2008

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Sindicatum Carbon Capital Trading Limited

Directors' Report for the year ended 31 December 2008

The directors present their report and audited financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company is that of a developer of projects which reduce greenhouse gas emissions, with a view to obtaining emission reduction credits under the Kyoto Protocol.

The directors are satisfied with the results for the year which show a loss of £77,833 (2007: £ nil) and net liabilities of £77,333 (2007: Net assets £500). The company will pursue its established management policies and it is anticipated that there will be an effective response to the challenges of the oncoming year.

Principal Risks

The company faces risks in its day to day operations and follows the group's risk management policies which are disclosed in the financial statements of Sindicatum Carbon Capital Holdings Limited and in notes 4 and 20 of these financial statements.

Key Performance Indicators ("KPI")

The directors of Sindicatum Carbon Capital Trading Limited manage the company's operations in accordance with the Sindicatum Carbon Capital Holdings KPI's. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Sindicatum Carbon Capital Trading Limited. The development, performance and position of the Sindicatum Capital Holdings Limited group, which includes the company, is discussed on page 2 of the group's annual report

Results and dividends

The results for the period are set out on page 4

The directors do not recommend the payment of a dividend (2007: nil).

Directors

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

Mr A Razzouk (12 June 2006)

Mr S Zuanic (Appointed 13 March 2008, resigned 6th October 2008)

Charitable and political donations

The company made no charitable or political donations within the year requiring disclosure

Going Concern

The financial statements have been prepared on a going concern basis. As at 31 December 2008 the Company's total liabilities exceeded its total assets by £77,333. The future viability of the Company depends on the financial support of its shareholders, who have confirmed that they will continue to support the Company for the foreseeable future.

Donations

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

Third Party Indemnity Provisions

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

Independent Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual General Meeting.

Sindicatum Carbon Capital Trading Limited
Financial Statements for the period ended 31 December 2008
Directors' Report (continued)

Statement of directors' responsibilities in respect of the annual report and financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

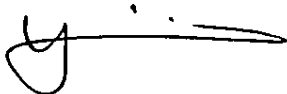
The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Provision of information to auditors

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr R Wilkinson
Director
28 September 2009

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

We have audited the financial statements of Sindicatum Carbon Capital Trading Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report and the Directors and Advisers information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

28 September 2009

Sindicatum Carbon Capital Trading Limited
Income Statement
For the year ended 31 December 2008

		Year ended 31 December 2008 £	Year ended 31 December 2007 £
	Notes		
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Other gains	7	323	-
Administration expenses		-	-
Finance costs	6	(78,156)	-
Loss for the year before tax		(77,833)	-
Taxation	10	-	-
Loss for the year after tax		(77,833)	-

All of the activities of the company are from continuing operations

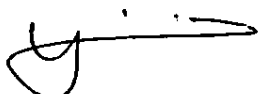
There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period and their historical cost equivalents

Sindicatum Carbon Capital Trading Limited
Balance Sheet
As at 31 December 2008

	Notes	As at 31 December 2008 £	As at 31 December 2007 £
Assets			
Non-current assets			
Investment	12	323	-
Total non-current assets		<u>323</u>	<u>-</u>
Current assets			
Trade and other receivables	11	2,736,864	500
Total current assets		<u>2,736,864</u>	<u>500</u>
Total assets		<u>2,737,187</u>	<u>-</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Issued capital	13	500	500
Retained Earnings	15	(77,833)	-
Total Equity		<u>(77,333)</u>	<u>500</u>
Liabilities			
Current Liabilities			
Trade and other payables	16	2,814,520	-
Total current liabilities		<u>2,814,520</u>	<u>-</u>
Total liabilities		<u>2,814,520</u>	<u>-</u>
Total equity and liabilities		<u>2,737,187</u>	<u>500</u>

The notes on pages 7 to 15 are an integral part of these financial statements.

On behalf of the Board



Mr R Wilkinson
Director
28 September 2009

Sindicatum Carbon Capital Trading Limited
Cash flow Statement
For the year ended 31 December 2008

		Year ended 31 December 2008	Year ended 31 December 2007
	Notes	£	£
Cash flows from operating activities			
Loss for the year before tax		(77,833)	-
 Movements in working capital			
Increase in related party creditors	21	2,814,520	-
(Increase) in related party debtors	21	(2,736,364)	-
Net cash generated by operating activities		<u>323</u>	<u>-</u>
 Cash flows from investing activities			
Payments for acquisition of subsidiary		(323)	-
Net cash used in investing activities		<u>(323)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issues of equity shares		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash and cash equivalents		-	-
Cash and equivalents at the beginning of the financial year		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year		<u>-</u>	<u>-</u>

Statement of Changes in Equity
For the year ended 31 December 2008

	Share Capital £	Retained Earnings £	Total £
Opening balance at 1 January 2007	500	-	500
Loss for the financial year	-	-	-
Closing Balance at 31 December 2007	<u>500</u>	<u>-</u>	<u>500</u>
	Share Capital £	Retained Earnings £	Total £
Opening Balance at 1 January 2008	500	-	500
Loss for the financial year	-	(77,833)	(77,833)
Closing Balance at 31 December 2008	<u>500</u>	<u>(77,833)</u>	<u>(77,333)</u>

1. General information

Sindicatum Carbon Capital Trading Limited's (the Company) principal activity is the provision of the finance and technical expertise to develop greenhouse gas emission reduction projects that enable business and host countries to reduce carbon emissions. The Company is registered as a limited company, domiciled in England and Wales, and is a wholly owned subsidiary of Sindicatum Carbon Capital Asia Limited, a company registered in Hong Kong. The ultimate holding company and producer of consolidated financial statements is Sindicatum Carbon Capital Holdings Limited whose registered office and principal place of business is 33 Duke Street, London, W1U 1JY.

2 Basis of preparation

The financial statements have been prepared on the historical cost basis, in accordance with EU Endorsed IFRS standards and the company's interpretation of IFRIC standards. The principal accounting policies which have been consistently applied in all periods presented and are set out below:

The company is ultimately owned by Sindicatum Carbon Capital Holdings Limited, a company incorporated in England and Wales, and its results and net assets are included in the consolidated financial statements of Sindicatum Carbon Capital Holdings Limited. Consequently, the company can take advantage of the exemption from preparing group accounts as permitted by the Companies Act 1985, section 228(1) and (2).

The company financial statements were authorised for issue by the Directors on 28 September 2009.

Statement of compliance

The financial statements have been prepared in accordance with European Union endorsed International Financial Reporting Standards and IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS.

3. Adoption of new and revised standards

The Company has adopted IAS 39, Amendment to recognition and measurement of financial instruments, which had no significant impact on the entity. Other Interpretations issued by the International Financial Reporting Interpretations Committee which were adopted and effective for the current period are:

- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 12 Service Concession Arrangements
- IFRIC 14 The Limit of a defined Benefit Assets, Minimum funding Requirement

The adoption of these interpretations has not led to any changes in the company's accounting policies. In addition there were a number of improvements to various IFRS which were effective on or before 31 January 2009. Based on the directors review of these amendments none has had a significant impact for the company's financial report and accounts

Standards and Interpretations issued but not yet effective:

- IFRS 8 Segment Reporting effective for accounting periods on or after 1 January 2009
- IFRS 23 Borrowing Costs effective for accounting periods on or after 1 January 2009
- Revised IAS 1 Presentation of financial statements effective for accounting periods on or after 1 January 2009
- IFRS 2 Share Based Payment, vesting conditions and cancellations effective for accounting periods on or after 1 January 2009
- IFRS 3 Business Combinations and the amendment to IAS 27 Consolidated financial statements effective for accounting periods on or after 1 January 2009
- Amendment to IAS 32 Puttable instruments and obligations on liquidation effective for accounting periods on or after 1 July 2009
- Amendments to IAS 39 Eligible hedged items effective for accounting periods on or after 1 January 2009
- IFRIC 13 Customer Loyalty Programmes effective for accounting periods on or after 1 January 2009
- IFRIC 15 Agreements for the construction of real estate effective for accounting periods on or after 1 January 2009
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation effective for accounting periods on or after 1 January 2009
- IFRIC 17 Distributions of non-cash assets to owners effective on or after 1 July 2009 effective for accounting periods on or after 1 January 2009

The company believes the adoption of these standards will have no impact on the financial statements of the company

No standards were early adopted by the entity.

Taxation

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

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

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

Investments in subsidiaries and joint ventures

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The investments in subsidiaries and joint ventures are stated at cost less provision for impairment losses. The results of subsidiaries and joint ventures are accounted for by the Company on the basis of dividend received and receivable.

No consolidated financial statements have been prepared as the Company is a wholly-owned subsidiary of Sindicatum Carbon Capital Holdings Limited, a company incorporated in England and Wales whose registered office located at 33 Duke Street, London, W1U 1JY, England. Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards by Sindicatum Carbon Capital Holdings Limited which are available for public use.

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Going Concern

The financial statements have been prepared on a going concern basis. As at 31 December 2008 the Company's total liabilities exceeded its total assets by £77,333. The future viability of the Company depends on the financial support of its shareholders, who have confirmed that they will continue to support the Company for the foreseeable future.

5. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

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

Sindicatum Carbon Capital Trading Limited
Notes to the financial statements (continued)
For the year ended 31 December 2008

6. Finance Costs

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Interest charged by group companies	78,156	-
Total interest expense	78,156	-

7. Other Gains

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Foreign exchange gains and losses	323	-

8. Loss for the year

The audit fees for this entity were borne by Sindicatum Carbon Capital Services Limited for the year ended 31 December 2008 (2007: nil).

9. Employee and Directors Emoluments

No staff costs were incurred (including for directors emoluments) in the year ended 31 December 2008 (2007: nil).

Sindicatum Carbon Capital Trading Limited
Notes to the financial statements (continued)
For the year ended 31 December 2008

10. Taxation

	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Current corporation tax charge	-	-
Factors affecting the tax charge for the year		
Tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%)		
Loss on ordinary activities before taxation	(77,833)	-
Loss on ordinary activities before taxation at the standard 28.5% (2007: 30%) UK corporation tax rate	(22,182)	-
Effect of:		
Group relief surrendered to group undertakings	22,182	-
Current corporation tax charge	-	-

There is no tax liability arising in the period due to losses incurred (2007: Nil)

Deferred tax assets

At the year end the company had no potential deferred tax assets or liabilities (2007: Nil).

11. Trade and other receivables

	Current		Non-Current	
	31 December 2008 £	31 December 2007 £	31 December 2008 £	31 December 2007 £
Amounts due from group companies	2,736,864	500	-	-

No trade receivables are overdue at the balance sheet date. See note 21.

Sindicatum Carbon Capital Trading Limited
Notes to the financial statements (continued)
For the year ended 31 December 2008

12. Investment

	% Holding	No of Shares	Cost £
Milestone Energy Development Limited			
Balance at 1 January 2008	-	-	-
Additions	50	10,000	323
Balance at 31 December 2008	50	10,000	323

As at 31 December the company owned 50% of Milestone Energy Development Limited, a company incorporated in Hong Kong.
The company also provided a loan commitment of 10 million USD of which 4 million USD (GBP 2,736,864) was drawdown at the balance sheet date (see note 21).

The loan agreement can be terminated at anytime by both the shareholders agreeing to do so in writing

Details of the Company's investment at 31 December 2008 are as follows:

Investment	Place of incorporation / registration	Proportion of ownership interest %	Proportion of voting power held %	Principal Activity
Milestone Energy Development Limited	Hong Kong	50	50	Emissions Reduction

13. Issued capital

	2008	2007
	£	£
50,000 fully paid Ordinary 1p Shares	500	500
Authorised share capital (1,000,000,000 shares of 1p)	10,000,000	10,000,000

The company has only one type of shares carrying no preferential rights

Sindicatum Carbon Capital Trading Limited
Notes to the financial statements (continued)
For the year ended 31 December 2008

14. Statement of movement in reserves

	Profit & Loss Reserves
	£
At 1 January 2008	-
Loss for the financial year	(77,833)
At 31 December 2008	(77,833)

15. Retained earnings and dividends

	31 December 2008	31 December 2007
	£	£
Loss for the financial year	(77,833)	-
Balance at the beginning of the year	-	-
Balance at the end of the year	(77,833)	-

16. Trade and other payables

	31 December 2008	31 December 2007
	£	£
Amounts due to group companies	2,814,520	-

No trade payables are overdue at the balance sheet date. See note 21 for details of interest chargeable on this balance.

17. Contingent assets and liabilities

The Company does not have any contingent assets or liabilities at the 31 December 2008.

18. Commitments to expenditure

The company has capital commitments of six million United States Dollars at the balance sheet date to pay additional funds to Milestone Energy Development Limited. This is subject to conditions precedent criteria being met (see note 19 below).

19. Events after the balance sheet date

On 29 May 2009 the company sold its shareholding in Milestone Energy Development to Sindicatum Carbon Capital (Cayman) Limited. At this date the company received repayment of, and transferred its loan to, Milestone Energy Development Limited (see note 21). In addition, the company repaid its outstanding liability to Istithmar & Sindicatum Climate Change Partnership (LP) limited (see note 21).

20. Financial Instruments and financial risk management

The Company follows financial risk management policies set out in note 30 of the ultimate parent company, Sindicatum Carbon Capital Holdings Limited Group's, financial statements. The application of these to the company are detailed below (where applicable)

(a) Overview of risk exposures and risk management strategy

The Company's multinational operations expose it to various financial risks in the ordinary course of business including Emissions Reductions price risk, credit risk, liquidity risk, currency risk and interest rate risk. The company has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the company and it is the policy to manage these risks in a non-speculative manner.

The Board has the overall responsibility for the establishment and oversight of the Sindicatum Carbon Capital Holding's Group's risk management framework. This is executed through the Group audit committee to whom the Board has delegated appropriate levels of authority and which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board. The company's board follows this procedure.

(b) Fair values

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

(c) Credit risk

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

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

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

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

(d) Liquidity risk

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

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

The Board has developed strategy and policies to mitigate interest rate and foreign exchange risk as well as optimise cash management. The Company has adopted the policy of maintaining funds in the Company's major functional currencies, being British pound, Euro and US dollars.

At 31 December 2008, the Company had minimal interest bearing liabilities outside of inter group liabilities. The Company's liquid resources are set out in the balance sheet and accompanying notes.

20. Financial Instruments and financial risk management (continued)

(e) Interest rate risk

Liquid funds are invested primarily in British pounds, Euros and US dollars except for the relatively minor amounts of working capital balances of foreign operations. Exposure to interest rate risk on liquid funds is actively monitored and managed with an average duration of less than three months. By calculating an overall exposure to interest rate risk rather than a series of individual instrument cash flow exposures, the Company can more readily monitor and manage these risks.

(f) Currency risk

British pounds, Euros, and US dollars are the primary currencies in which the Company conducts business. British pounds are used for planning and budgetary purposes and as the presentation currency for financial reporting. However, the Company, has significant assets and liabilities denominated in currencies other than British pounds.

The principal risks to which the Company is exposed are movements in the exchange rates of the Euro and the US dollar against the British pound.

(g) Capital risk management

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

The financial statements have been prepared on a going concern basis. As at 31 December 2008 the Company's total liabilities exceeded its total assets by GBP 77,333. The future viability of the Company depends on the financial support of its shareholders, who have confirmed that they will continue to support the Company for the foreseeable future.

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

(h) Regulatory Risk

Currently, the worldwide international climate change policy, expressed through the Kyoto protocol to the United Nations Framework Convention on Climate Change ("UNFCCC"), extends to 2012 only. It is highly unlikely, however, that there will be a complete absence of a market for CERs after 2012 as the EU Emissions Trading Scheme (the EU "ETS"), currently the largest market for CERs, has no sunset clauses and the allowance for CERs into the market up until 2020 has already been agreed. Beyond this there is uncertainty over the exact worldwide regulatory structure for the post 2012 environment, which could have adverse effects on the value which may be achieved by the company on the sales of CERs.

Sindicatum Carbon Capital Trading Limited
Notes to the financial statements (continued)
For the year ended 31 December 2008

21. Related party transactions

	Payments for interest and services		Amounts owed by group companies		Amounts owed to group companies
	2008	2007	2008	2007	2008
	£	£	£	£	£
Sindicatum Carbon Capital Holdings Limited	78,156	-	-	500	78,156
Sindicatum Carbon Capital Limited	-	-	-	-	-
Milestone Energy Development Limited	-	-	2,736,864	-	-
Sindicatum Carbon Capital Asia Limited	-	-	-	-	546,874
Istithmar & Sindicatum Climate Change Partnership LP	-	-	-	-	2,189,490
	78,156	-	2,736,864	500	2,814,520

All the companies form part of the Sindicatum Carbon Capital Holdings Limited Group

The net total amount owed or owing to group companies carries an interest rate based on Bank of England Base Rate plus 2% calculated on the average balance each calendar month and accrued, excluding the loan to Milestone Energy Development Limited which carries no interest rate. The Istithmar & Sindicatum Climate Change Partnership LP liability is repayable conditional on the transfer of the Milestone loan to this entity or related entity (see note 19).

22. Ultimate controlling party

The company's immediate parent company is Sindicatum Carbon Capital (Asia) Limited, which owns 100% of the issued share capital of the company. Sindicatum Carbon Capital (Asia) Limited's immediate parent company is Sindicatum Carbon Capital Holdings Limited, which owns 100% of the issued share capital of that company. Sindicatum Carbon Capital Holdings Limited whose registered office and principal place of business is 33 Duke Street, London W1U 1JY, England produces publicly available consolidated financial statements, incorporating the company and it's immediate parent company.

There is no single ultimate controlling party of the company, however Sindicatum Holdings Limited, Citigroup Venture Capital International, AIG Capital Partners, Black River Commodity Clean Energy Investment Fund, Gulf One Investment Holdings and CapitalE Group are significant shareholders of the parent company Sindicatum Carbon Capital Holdings Limited.