

Sindicatum Carbon Capital International Limited

Company Registration Number ~~05061889~~

6187034

Financial Statements

For The Period Ended 31 December 2007



Sindicatum Carbon Capital International Limited
Financial Statements for the period ended 31 December 2007

Directors and Advisors

Directors

Mr A Razzouk	(Appointed 28 March 2007)
Mr R Wilkinson	(Appointed 28 March 2007)

Secretary

Mr N Kelly	(Appointed 28 March 2007)
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Company number

05061889	(Incorporated 27 March 2007 in England & Wales)
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Registered office

18 Hanover Square
London
W1S 1HX

Auditors

PriceWaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Sindicatum Carbon Capital International Limited
Financial Statements for the period ended 31 December 2007

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Sindicatum Carbon Capital International Limited
Financial Statements for the period ended 31 December 2007

Directors' Report

The Directors present their report and audited financial statements for the period ended 31 December 2007

The company was incorporated on 27 March 2007 and the reports and financial statements have been prepared for the nine months ("period") to 31 December 2007

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 period. 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

The company faces risks in its day to day operations and details of the company and groups risk management policies are disclosed in the financial statements of Sindicatum Carbon Capital Holdings Limited

Key Performance Indicators ("KPIs")

The Directors of Sindicatum Carbon Capital International Limited manage the Sindicatum Carbon Capital Group's operations on a group-wide basis. For this reason, the Directors of the Company 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 the Company. The development, performance and position of the Sindicatum Carbon Capital Holdings Limited, which includes the Company, is discussed in the Directors' Report of Sindicatum Carbon Capital Holdings Limited which does not form part of this report

Results and dividends

The results for the period are set out on page 7

The directors do not recommend the payment of a dividend

Directors

The following Directors have held office since incorporation

Mr A Razzouk (Appointed 28 March 2007)

Mr R Wilkinson (Appointed 28 March 2007)

Directors' interests

On 30 May 2007 the Sindicatum Carbon Capital group went through a group restructuring whereby Sindicatum Carbon Capital Holdings Limited became the ultimate parent of the company

The directors' interests are disclosed in the financial statements of Sindicatum Carbon Capital Holdings Limited

Auditors

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

Sindicatum Carbon Capital International Limited
Financial Statements for the period ended 31 December 2007
Directors' Report (continued)

Directors' responsibilities

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 and IFRSs issued by IASB
- 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

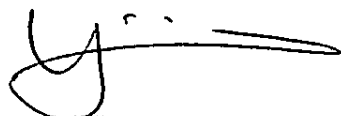
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

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

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
30 October 2008

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

We have audited the financial statements of Sindicatum Carbon Capital International Limited for the period ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, Statement of Recognised Income and Expense 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 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2007 and of its loss and cash flows for the period 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

30 October 2008

Sindicatum Carbon Capital International Limited
Income Statement
For the period ended 31 December 2007

	Notes	9 months ended 31/12/2007 £
Revenue		-
Cost of sales		<u>(37,197)</u>
Gross loss		(37,197)
Other gains and losses	5	(7,334)
Administration expenses		(169,612)
Finance costs	6	<u>(7,473)</u>
Loss for the period before tax	7	(221,616)
Tax	10	<u>-</u>
Loss for the period after tax		<u>(221,616)</u>

All of the activities of the company are from continuing operations

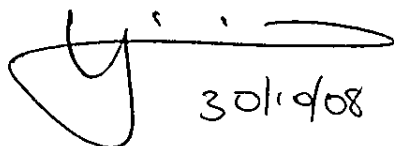
There is no material difference between the loss on ordinary activities before taxation and the retained loss for the financial period and their historical cost equivalents

Sindicatum Carbon Capital International Limited
Balance Sheet
At 31 December 2007

	Notes	31/12/2007 £
Assets		
Non-current assets		
Intangible assets	8	2,142
Investment in subsidiary	9	<u>1,200</u>
Total non-current assets		<u>3,342</u>
Current Assets		
Debtors	11	<u>5,100</u>
Total Current Assets		<u>5,100</u>
Total Assets		<u>8,442</u>
Equity and liabilities		
<i>Capital and reserves</i>		
Issued Capital	12	500
Retained Earnings	13	<u>(221,616)</u>
Total Equity		<u>(221,116)</u>
Current liabilities		
Trade and other payables	14	<u>229,558</u>
Total current liabilities		<u>229,558</u>
Total Liabilities		<u>229,558</u>
Total Equity and liabilities		<u>8,442</u>

The notes on pages 10 to 16 are an integral part of these financial statements

On Behalf of the Board



R WILKINSON
DIRECTOR

Sindicatum Carbon Capital International Limited
Cashflow Statement
For the period ended 31 December 2007

	Notes	9 months ended 31/12/2007 £
Cash flows from operating activities		
Loss for the period		(221,616)
Finance costs recognised in profit or loss		7,473
 Movements in working capital		
(Increase)/Decrease in debtors		(5,100)
Increase/(Decrease) in trade and other payables		229,558
 Cash generated from operations		10,315
Interest paid		(7,473)
Net cash generated by operating activities		2,842
 Cash flows from investing activities		
Payments for intangible assets		(2,142)
Payments for acquisition of subsidiary		(1,200)
Net cash used in investing activities		(3,342)
Cash flows from financing activities		-
Proceeds from issues of equity shares		500
Net cash used in financing activities		500
Net Increase/(Decrease) in cash and cash equivalents		-
Cash and cash equivalent equivalents at the beginning of the financial year		-
Cash and cash equivalents at the end of the financial year		-

Statement of recognised income and expense
For the period ended 31 December 2007

	9 months ended 31/12/2007 £
Loss for period	(221,616)
Total recognised income and expense for the period	(221,616)

1 General information

Sindicatum Carbon Capital International Limited (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 a wholly owned subsidiary of Sindicatum Carbon Capital Holdings Limited, a company registered in England and Wales. 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 18 Hanover Square, London, W1S 1HX.

Significant accounting policies

2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments in accordance with EU Endorsed IFRS standards and the company's interpretation of IFRIC standards. The principal accounting policies are set out below.

The company is a wholly owned subsidiary of 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 financial statements were authorised for issue by the Directors on 30 October 2008.

3 Statement of compliance

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

4 Adoption of new and revised standards

The Company has adopted IFRS 7 Financial Instruments Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Entity's financial instruments and management of capital. Seven Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are:

- IFRIC 7 Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
- IFRIC 8 Scope of IFRS 2,
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment
- IFRIC 11 Group and Treasury Share Transactions
- 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.

Standards and Interpretations issued but not yet effective

- IFRS 8 Segment Reporting
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

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

Taxation

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

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

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

Sindicatum Carbon Capital International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

Investment

Investment in subsidiary undertakings are stated at cost less any diminution in value. Only dividends received and receivable are credited to the company's income statement.

Intangible assets

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

The Company utilises internal resources as well as third party subcontractors to develop the Group's Carbon Emission Reduction project portfolio. These costs are assessed as to whether they qualify for capitalisation and recognition as intangible assets. In complying with the general requirements for an initial measurement of an intangible asset, qualification criteria for capitalisation are met only when specific project milestones have been achieved, specifically when technical and commercial feasibility can be demonstrated and cost can be reliably measured. It must also be probable that the related costs will generate future economic benefits and that the amount capitalised is clearly identifiable and allocable to a specific project.

The Company also advances cash to fund development activity by third parties, typically project owners, relating to the origination of Emission Reductions. Such amounts advanced which establish a right to receive Emission Reductions are classified within intangible assets. The amount advanced is capitalised along with other related project costs within intangible assets.

Project costs capitalised are subsequently amortised by transfer to inventories as CERs are produced from the projects. These assets are reviewed for impairment annually.

Property, plant & equipment

Tangible Fixed Assets are recorded at cost less depreciation in accordance with the recognition criteria detailed in IAS 18, Property Plant and Equipment.

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

Office equipment	25 00% Reducing Balance
Fixtures & Fittings	25 00% Reducing Balance
Monitoring Equipment	10 Years Straight Line
Motor Vehicles	33 33% Reducing balance

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

5. Other gains and losses

	9 months ended 31/12/2007 £
Net foreign exchange losses	(7,334)
	<u>(7,334)</u>

6 Finance Costs

	9 Months ended 31/12/2007 £
Interest Charged by Group entities	7,473
Total interest expense	<u>7,473</u>

7. Loss for the period

Loss for the period has been arrived at after charging

	9 Months ended 31/12/2007 £
Audit Fees	2,000
Staff Costs (see note below)	37,186

7 1. Staff Costs

	9 Months ended 31/12/2007 £
Wages and salaries	37,186
Social security benefits	-
Other benefits	-
	<u>37,186</u>

Average staff within period	2
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7.2. Staff Category Analysis

Project delivery	2
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Sindicatum Carbon Capital International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

8. Intangible Assets

	Capitalised Development £	Total £
Cost		
Balance at incorporation	-	-
Additions	2,142	2,142
	<hr/>	<hr/>
Balance at 31 December 2007	2,142	2,142

Capitalised development represents CER projects under development

At the period end there was no amortisation charge as the assets were not available for use

9 Investment in subsidiary undertaking

**31/12/2007
£**

The company owns 100% of the issued share capital of Sindicatum Carbon Capital India Private Limited, a company incorporated in India

1,200

10. Current and Deferred Tax

**9 months
ended
31/12/2007
£**

Tax	
Current corporation tax charge	<hr/> -
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	<hr/> (221,616)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 30%	<hr/> (66,485)
Effect of	
Non deductible expenses	122
Capital allowances	(643)
Unrelieved tax losses arising in the period	<hr/> 67,006
	<hr/> 66,485
Current corporation tax charge	<hr/> <hr/> -

There is no tax liability arising in the period due to losses incurred Trading losses available to be carried forward is £223,352

Deferred tax assets

At the year end the company had a net potential deferred tax asset amounting to £66,363 primarily due to tax losses The company does not recognise the deferred tax asset in its balance sheet

Sindicatum Carbon Capital International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

*** 11. Other Debtors**

	Current
	<u>31/12/2007</u>
	£
Other Debtors	<u>5,100</u>
	<u>5,100</u>

12. Issued Capital

	Share Capital
	<u>31/12/2007</u>
	£
50,000 fully paid ordinary 1p shares, on 27 March 2007	500
Authorised Share Capital (10,000,000 shares of 1p)	100,000

The Company has only one class of share carrying no preferential rights

13 Retained earnings and dividends

	<u>31/12/2007</u>
	£
Net loss attributable to members of the parent entity	<u>(221,616)</u>
Balance at end of period	<u>(221,616)</u>

14 Trade and Other Payables

	<u>31/12/2007</u>
	£
Trade Payables	1,806
Accruals	3,440
Amounts Due to Other Group Companies	224,312
	<u>229,558</u>

Sindicatum Carbon Capital International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

	9 Months ended 2007 £
15. Directors Emoluments	
Emoluments for qualifying services	-
Auditors Remuneration	
Audit Services	2,000
Other Services	-

16. Contingent Assets and Liabilities

The Company does not have any contingent assets or liabilities at 31 December 2007

17. Commitments to Expenditure

The company has no Capital commitments at the balance sheet date

18. Events after the Balance Sheet Date

On 14 August 2008 Sindicatum Carbon Capital Holdings Group (SCC) announced the initial closing of a co-investment vehicle, the Istithmar & Sindicatum Climate Change Partnership, L P ("ISCCP" or the "Fund") with commitments of, US\$ 279 million, from an international investor base. The ISCCP will solely finance the pipeline of greenhouse-gas reduction projects under development by SCC. As a consequence, Sindicatum Carbon Capital Holdings Group will benefit from a capital base large enough to allow a significant international scale-up of its project pipeline.

On the 6 February 2008 the group Carbon Credit Investment Holdings Company Limited acquired 200,000 Ordinary A shares in Sindicatum Carbon Capital Holdings Limited for consideration of ten million pounds.

19 Subsidiary undertakings

Details of the Company's subsidiaries at 31 December 2007 are as follows

Name of subsidiary	Place of incorporation / registration	Proportion of ownership interest %	Proportion of voting power held %	Principal Activity
Sindicatum Carbon Capital India Private Ltd	India	100	100	Emissions Reduction

20. Expenses By Nature

	9 Months ended 31/12/2007 £
Business Development and Cost of Sales	37,197
Staff Costs	36,745
Occupancy Costs	7,565
Depreciation, amortisation and impairment charges	-
Marketing Costs	-
Travel Expenses	36,188
Professional Fees	283
Head Office Costs	80,000
Other Expenses	8,830
Total	206,808



Sindicatum Carbon Capital International Limited
Notes to the financial statements (continued)
For the period ended 31 December 2007

21 Related Party Transactions

Trading Transactions	Purchases of Good and Services 2007	Amounts owed to Group Companies 2007
	£	£
Sindicatum Carbon Capital Holdings Limited	6,511	6,511
Sindicatum Carbon Capital Limited	-	216,198
Sindicatum Carbon Capital Services Limited	80,000	1,603
	<u>86,511</u>	<u>224,312</u>

The above companies all trade within the Sindicatum Carbon Capital Holdings Limited Group

22 Ultimate controlling party

The company's immediate parent company is Sindicatum Carbon Capital Holdings Limited, which owns 100% of the issued share capital of the 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

