

Natsource Europe Limited

Report and Financial Statements

Registered number 02526751

31 December 2009

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Natsource Europe Limited

Annual report and financial statements for the year ended 31 December 2009

Contents

Company information

Page:

1	Report of the directors
3	Statement of directors' responsibilities in respect of the Directors' Report and the financial statements
4	Report of the independent auditors
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

Directors

J Cogen
D Forrister
M Intrator
B Richardson (resigned 2 May 2010)

Secretary and

York Place Company Secretaries Limited

Registered office

3rd Floor, White Rose House, 28A York Place, Leeds, West Yorkshire LS1 2EX

Company number

02526751

Auditors

KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW

Natsource Europe Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the financial year

The directors do not recommend a final ordinary dividend for the year (2008 - £Nil)

Principal activities and business review

The company's principal activity during the year was that of a broker of emissions permits and a provider of emissions consultancy. The directors are satisfied with the result for the year and are optimistic about the future developments of the company.

The company experienced United Nations Executive Board regulatory delays in its ongoing involvement in the management of contracted Clean Development Mechanism (CDM) projects, mostly in the Asia-Pacific region and the sourcing of new CDM and Emission Reduction Unit (ERU) projects for its clients. The company also continued to successfully act as a broker of EU Allowances (EUAs), UK Allowances (UKAs) and Levy Exemption Certificates (LECs) acting for both established and new clients.

The principal risks to the company are changes to existing government and/or international policies that currently govern our contracted projects that have a detrimental impact on the future revenue streams associated with said projects. The directors view the chances of such changes as being unlikely.

The turnover for the year decreased to £4,413,308 (2008 £6,949,492) which attributed to a loss of £805,195 (2008 net profit of £1,916,616). Net assets and shareholder funds increased mainly due to an additional capital contribution received of approximately £8 million and a related £8 million investment in a subsidiary.

The directors are satisfied with the position of the company at the year end having built up strong cash reserves and are confident of building on this success in the coming years, partly due to the appearance that the regulatory delays at the United Nations Executive Board have come to an end.

Directors

The directors of the company during the year were

J Cogen
D Forrister
M Intrator
B Richardson (resigned 2 May 2010)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Natsource Europe Limited

Report of the directors for the year ended 31 December 2009 (*Continued*)

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

On behalf of the Board

A handwritten signature in black ink, appearing to be 'J Cogen', written over a horizontal line.

J Cogen
Director

11 November 2010

Statement of Directors' Responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent Auditors' Report to the Members of Natsource Europe Limited

We have audited the financial statements of Natsource Europe Limited for the year ended 31 December 2009 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of the company's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Natsource Europe Limited

Independent auditors' report to the members of Natsource Europe Limited (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Morritt

(Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Statutory Auditor
Chartered Accountants

1 The Embankment
Leeds
West Yorkshire
LS1

4DW

15 NOVEMBER 2010

Natsource Europe Limited**Profit and loss account for the year ended 31 December 2009**

	Note	2009 £	2008 £
Turnover	2	4,413,308	6,949,492
Administrative expenses		(5,522,368)	(4,272,202)
Operating (loss)/profit	5	(1,109,060)	2,677,290
Interest receivable		2,082	14,383
Interest payable		-	(7)
(Loss) / Profit on ordinary activities before taxation		(1,106,978)	2,691,666
Tax on profit on ordinary activities	6	(2,009)	(775,050)
(Loss) / Profit for the financial year		(1,108,987)	1,916,616

All amounts relate to continuing activities

There are no recognised gains or losses other than the profit for the financial year

Natsource Europe Limited

Balance sheet at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		5,103		9,622
Investments in subsidiary undertakings	8		8,005,887		4,831
			<u>8,010,990</u>		<u>14,453</u>
Current assets					
Debtors	9	9,651,922		6,477,021	
Cash at bank and in hand		263,248		1,567,226	
		<u>9,915,170</u>		<u>8,044,247</u>	
Creditors: amounts falling due within one year	10	(5,611,886)		(2,653,674)	
		<u></u>		<u></u>	
Net current assets			<u>4,303,284</u>		<u>5,390,573</u>
Net assets			<u>12,314,274</u>		<u>5,405,026</u>
Capital and reserves					
Called up share capital	11		5,076,302		5,076,301
Profit and loss account	12		(824,888)		284,099
Capital contribution reserve	12		8,062,860		44,626
			<u></u>		<u></u>
Shareholders' funds	13		<u>12,314,274</u>		<u>5,405,026</u>

The financial statements were approved by the Board of Directors on 11 November 2010 and were signed on its behalf by



J Cogen
Director

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The following principal accounting policies have been applied

Group accounts

The financial statements contain information about Natsource Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by s228A of the Companies Act 1985 not to produce consolidated financial statements

The company has taken advantage of the exemption under Financial Reporting Standard 1 "Cash Flow Statements" not to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated accounts

Turnover

Turnover comprises of brokerage fees from trading in emissions permits, management fees and consultancy fees. Brokerage fees are recognised when a transaction is completed. Management fees are recognised at an agreed percentage of the fees earned through a contract managed by another group company and reflect the contribution of Natsource Europe Limited to the management of this contract. Consultancy fees are recognised on the completion of an assignment

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates

Office and computer equipment	- 20% to 33% per annum
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Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Valuation of investments

Investments held as fixed assets are held at cost less any provision for impairment in value

1 Accounting policies (*Continued*)

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company, Natsource LLC. The fair value of options granted after 7 November 2002 and those not yet vested as at the effective date of FRS 20 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Where the Company's ultimate parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as equity-settled.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Leased assets

All current leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Natsource Europe Limited**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****2 Turnover**

Turnover is wholly attributable to the principal activity of the company

	2009 £	2008 £
Analysis by geographical market		
Europe	779,304	1,487,679
North America	2,064,359	1,917,045
Asia-Pacific	1,569,645	3,544,768
	<u>4,413,308</u>	<u>6,949,492</u>

3 Employees

	2009 £	2008 £
The aggregate payroll costs of persons employed by the company (including directors) was as follows		
Wages and salaries	2,281,098	3,358,452
Social security costs	285,410	430,467
Share based payments (see note 14)	17,178	44,626
	<u>2,583,686</u>	<u>3,833,545</u>

The average number of employees, including directors, during the year was 11 (2008 - 9)

4 Remuneration of directors

	2009 £	2008 £
Directors' emoluments	157,500	398,541
Amounts receivable under long term incentive plans	17,178	16,681
	<u>174,678</u>	<u>415,222</u>
Total remuneration	<u>174,678</u>	<u>415,222</u>

	2009 £	2008 £
Highest paid director		
Directors' emoluments	157,500	398,541
Amounts receivable under long term incentive plans	1,809	13,972
	<u>159,309</u>	<u>412,513</u>

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

Where directors of the company are also directors of the ultimate parent undertaking, their remuneration is received directly from that company. The directors do not believe it is practicable to apportion this amount between their services as directors of the parent undertaking, fellow subsidiary undertakings and this company. No management charge was made to the company in 2009 (2008 - £Nil) to represent a recharge of the services to the company of any directors of the parent undertaking. It is not possible to identify separately the amounts attributable to the directors of the company.

5 Operating profit

	2009 £	2008 £
This has been arrived at after charging/(crediting)		
Auditors' remuneration - audit of these financial statements	19,754	51,303
- other services relating to taxation	-	-
Foreign exchange losses / (gains)	240,463	(1,272,814)

6 Taxation on profit on ordinary activities

	2009 £	2008 £
<i>Current tax</i>		
UK corporation tax on income for the period	-	414,530
<i>Deferred tax</i>		
Reversal/(origination) of timing differences	2,009	360,520
Tax on profit on ordinary activities	2,009	775,050

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

The tax assessed for the year is lower (2008 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £	2008 £
(Loss) / Profit on ordinary activities before tax	(1,106,978)	2,691,666
(Loss) / Profit on ordinary activities at the standard rate of corporation tax in the UK of 28.0% (2008 – 28.5%)	(309,954)	767,125
Effects of		
Expenses not deductible for tax purposes	237	12
Capital allowances for the year in excess of depreciation	1,114	(331)
Brought forward losses utilised in the current year	-	(364,955)
Other timing differences	4,811	12,679
Provision against deferred tax asset	303,792	-
Total current tax charge (see above)	-	414,530

7 Tangible assets

	Office & Computer equipment £
<i>Cost or valuation</i>	
At 1 January 2009	23,614
Additions	333
At 31 December 2009	23,947
<i>Depreciation</i>	
At 1 January 2009	13,992
Provided for the year	4,852
At 31 December 2009	18,844
<i>Net book value</i>	
At 31 December 2009	5,103
At 31 December 2008	9,622

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

8 Investments

	Shares in group undertakings £
<i>Cost and net book value</i>	
At 1 January 2009	4,831
Additions	8,001,056
	<hr/>
At 31 December 2009	8,005,887
	<hr/>

The addition of £8,001,056 in the year relates to a capital contribution that was used to increase an investment in a specific subsidiary to allow that subsidiary to pay down a note due to an affiliated entity

The following were 100% trading subsidiary undertakings at the end of the year

Name	Country of incorporation or registration
Canadenis Acquisitions Limited	UK
Tamarisk Acquisition Corporation	Cayman Islands
Carbon Compliance Acquisition Corporation 21	Cayman Islands
Carbon Compliance Acquisition Corporation 40	Cayman Islands
Natsource CF Corporation	Cayman Islands
Carbon Compliance Acquisition Corporation 8	Cayman Islands

All of the above subsidiaries are engaged in the trading of emissions credits

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

8 Investments (continued)

The following 100% owned subsidiary undertakings were dormant at the end of the year

Name	Country of incorporation or registration
Carbon Compliance Acquisition 13 Limited	UK
Carbon Compliance Acquisition 14 Limited	UK
<i>Carbon Compliance Acquisition 16 Limited</i>	UK
Carbon Compliance Acquisition 23 Limited	UK
Carbon Compliance Acquisition Corporation 5	Cayman Islands
Carbon Compliance Acquisition Corporation 13	Cayman Islands
Carbon Compliance Acquisition Corporation 14	Cayman Islands
Carbon Compliance Acquisition Corporation 16	Cayman Islands
Carbon Compliance Acquisition Corporation 28	Cayman Islands
Carbon Compliance Acquisition Corporation 30	Cayman Islands
Carbon Compliance Acquisition Corporation 32	Cayman Islands
Carbon Compliance Acquisition Corporation 38	Cayman Islands
Carbon Compliance Acquisition Corporation 42	Cayman Islands
Carbon Compliance Acquisition Corporation 44	Cayman Islands
Carbon Compliance Acquisition Corporation 46	Cayman Islands
Carbon Compliance Acquisition Corporation 48	Cayman Islands
Carbon Compliance Acquisition Corporation 50	Cayman Islands
Carbon Compliance Acquisition Corporation 52	Cayman Islands
Carbon Compliance Acquisition Corporation 53	Cayman Islands
Carbon Compliance Acquisition Corporation 54	Cayman Islands
Carbon Compliance Acquisition Corporation 60	Cayman Islands
Natsource BioCF II Investments Corporation	Cayman Islands
Natsource Carbon Acquisition Corporation 1	Cayman Islands
Natsource Carbon Acquisition Corporation 2	Cayman Islands
Natsource Carbon Acquisition Corporation 3	Cayman Islands
Natsource Carbon Acquisition Corporation 4	Cayman Islands
Natsource Carbon Acquisition Corporation 5	Cayman Islands
Natsource Carbon Acquisition Corporation 6	Cayman Islands
Natsource Carbon Acquisition Corporation 7	Cayman Islands
Natsource Carbon Acquisition Corporation 8	Cayman Islands
Natsource Carbon Acquisition Corporation 9	Cayman Islands
Natsource Carbon Acquisition Corporation 10	Cayman Islands
Natsource Carbon Acquisition Corporation 11	Cayman Islands
Natsource Carbon Acquisition Corporation 12	Cayman Islands
Natsource Carbon Acquisition Corporation 13	Cayman Islands
Natsource Carbon Acquisition Corporation 14	Cayman Islands
Natsource Carbon Acquisition Corporation 15	Cayman Islands

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

8 Investments (continued)

The following 100% owned subsidiary undertakings were dormant at the end of the year

Name	Country of incorporation or registration
Natsource Carbon Acquisition Corporation 16	Cayman Islands
Natsource Carbon Acquisition Corporation 17	Cayman Islands
Natsource Carbon Acquisition Corporation 18	Cayman Islands
Natsource Carbon Acquisition Corporation 19	Cayman Islands
Natsource Carbon Acquisition Corporation 20	Cayman Islands
Natsource Carbon Acquisition Corporation 21	Cayman Islands
Natsource Carbon Acquisition Corporation 22	Cayman Islands
Spinifex Acquisition Corporation	Cayman Islands

9 Debtors

	2009 £	2008 £
Trade debtors	146,784	92,079
Amounts owed by group undertakings	9,443,936	6,334,543
Other debtors	21,260	21,260
Prepayments and accrued income	34,677	29,139
Deferred tax assets	5,265	-
	<u>9,651,922</u>	<u>6,477,021</u>

10 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	71,281	6,557
Amounts owed to group undertakings	4,837,541	426,024
Taxation and social security	49,659	702,910
Corporation tax	-	401,366
Other creditors	-	8,225
Accruals and deferred income	653,406	1,108,592
	<u>5,611,887</u>	<u>2,653,674</u>

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

11 Share capital

	Authorised, allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	5,076,302	5,076,301	5,076,302	5,076,301

12 Reserves

	Capital contribution Reserve £	Profit and loss account £
At beginning of year	44,626	284,099
(Loss) / Profit for the year	-	(1,108,987)
Addition	8,001,056	-
Equity settled share based payments (see note 14)	17,178	-
At end of year	8,062,860	(824,888)

13 Reconciliation of Movements in Shareholders' Funds

	2009 £	2008 £
(Loss) / Profit for the financial year	(1,108,987)	1,916,616
Equity settled share based payments (see note 14)	17,178	44,626
Share capital issued	1	-
Capital contribution	8,001,056	-
Net addition to shareholders' funds	6,909,248	1,961,242
Opening shareholders' funds	5,405,026	3,443,784
Closing shareholders' funds	12,314,274	5,405,026

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

14 Employee share and option awards

Certain company employees received 1,280 shares in the ultimate parent company, Natsource LLC in January 2007. These employees entered into Unit Purchase Agreements to acquire these shares. As payment for these shares, employees entered into Secured Promissory Notes and Pledge and Security Agreements with Natsource. The Company accounted for these shares as options under FRS20, Share based payments, due to the low recourse provided under the Secured Promissory Notes. These awards are fully vested. The associated charge included in operating profit is £0 (2008 £13,543). The shares are being paid for in equal instalments over 5 years through to December 2011.

Certain Company employees received 94 Natsource LLC options in December 2007. These employees entered into Option Agreements to acquire these options. The Company accounted for these options under FRS 20, Share based payments. These awards vest equally over three years to 2010. The options can be exercised during the period beginning 2 January 2008 to the tenth anniversary of the grant date (11 December 2017).

The number of share options is as follows

Outstanding at beginning and end of year	94
--	----

The total expense recognised in profit and loss in relation to these options is £17,178 (2008 £31,083)

The fair value of each option was estimated on the date of grant using a Black-Scholes option pricing model. The following key assumptions have been used

Expected volatility	45.2%
Expected exercise term	3 years
Risk free interest rate	3.32%
Grant date fair value	£967.51
Exercise price	£541.38

The volatility was determined based on analysis of the volatility in public stock prices for similar market capitalised asset managers

15 Commitments under operating leases

As at 31 December 2009, the company had annual commitments under non-cancellable operating leases as set out below

	2009 Land and buildings £	2008 Land and buildings £
Operating leases which expire within one year	19,872	28,140

Natsource Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

16 Related party transactions

The Company receives cash advances from its ultimate parent, Natsource LLC. The net cash advanced to the Company was approximately £2,582,000 in 2009 and £250,000 in 2008.

Certain employees participated in a share option programme which allows employees to acquire shares of the ultimate parent company, Natsource LLC. The cost of this programme is passed on to the Company. The Company was charged approximately £17,000 in 2009 and £45,000 in 2008 under this programme.

In 2008 the Company claimed approximately £46,000 in group tax relief from an affiliate. This resulted in a payable to that affiliate for approximately £12,500. There were no group relief claims for 2009.

The Company provides sales and support services for certain affiliates. These sales and support services totalled approximately £263,000 in 2009 and £708,600 in 2008.

In 2009 the Company's parent, NTEL Holdings Limited, contributed approximately £8,000,000 so the Company could make a corresponding investment into one of the Company's subsidiaries, Carbon Compliance Acquisition Corporation 40.

Certain affiliates receive invoices and pay expense on behalf of other affiliates. The Company paid net expenses of approximately £90,000 in 2009 and £65,000 on behalf of affiliates for which the Company is owed reimbursement.

The Company makes and receives transfer pricing as part of the ultimate parent's transfer pricing policy. In 2009 the Company earned approximately £2,990,000 in transfer pricing fees while incurring approximately £2,060,000 in transfer pricing expenses. In 2008 the amounts were approximately £4,480,000 and £1,111,000, respectively.

17 Ultimate parent company

At 31 December 2009 the company's immediate parent company was NTEL Holdings Limited.

The ultimate parent undertaking company of Natsource Europe Limited is Natsource LLC. Natsource LLC is a company registered in the United States of America. Copies of the group financial statements can be obtained from Natsource LLC Suite 2005, 100 William Street, New York, NY 10038, USA.