Annual Report and Accounts

LUDGATE
ENVIRONMENTAL FUND

For the year ended 30th June 2011

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LUDGATE
ENVIRONMENTAL FUND

Statement of Investment Policy

The Ludgate Environmental Fund is looking to make active investments in a diverse portfolio of cleantech companies that require capital growth.

The Fund focuses on the following core areas within the cleantech sector:

- **Waste management and recycling**
- **Renewable energy**
- **Energy efficiency**
- **Water**

Our target cleantech companies demonstrate the following attributes:

- **Clear environmental improvement**
- **Proven technology with a scalable business model**
- **Revenue generation or clear, near-term visibility to substantial sales**
- **Experienced management with technical expertise and track record of delivery**
- **Defensible, differentiable intellectual property or know-how**
- **Significant potential market with high existing, or expected, growth rates**
- **Clear exit strategy within the anticipated life of the fund, at a 3 to 10 times investment return**

The Ludgate Environmental Fund concentrates on cleantech companies in, or focused on, Continental Europe and the UK, although its investments are not geographically restricted. Investments typically range from £3-10 million, though total deal sizes can be significantly higher, as we frequently bring in our fund investors as co-investors. No single investment is expected to have a value greater than 15.0 percent of the net assets of the Company at the point of investment.

Chairman's Statement

I am pleased to report to shareholders on the performance of Ludgate Environmental Fund Limited (Company) in the year to 30th June 2011.

The net asset value of the Company increased to £58,843,944 (2010: £45,305,787) equivalent to 105p (2010: 99p) per ordinary share, of which £9.8 million derived from a subscription of new capital at net asset value in August 2010. Subsequent to year end the Board recommended payment of an ordinary dividend of 1.75p per share as well as stated its willingness to purchase up to £4.0 million worth of shares in accordance with existing authority; conduct a strategic portfolio management review; and assess the potential of the Company to fufill the stated investment policy and expected returns within its life.

The Company was profitable, enjoying total comprehensive income of £4,459,594 (2010: -£4,380,680). As in previous years and in line with our stated objectives of recommending progressive payments and encouraging disciplined investment in certain current assets, the dividend was covered by interest and dividends received. The Company invested a total of £7.4 million including further issues of securities in RAP, agri.capital and Phoslock as well as smaller initial investments in two new assets. The Company also sold investments in agri.capital (proceeds £13.8 million). Subsequent to year end we invested in ECO Plastics (£5 million) which was substantially complete subject to signing in early July 2011 and Lumicity (£1 million), both of which should be considered in assessing performance.

The Company successfully sold its interests in agri.capital, the first significant realisation from the portfolio, producing a capital gain at realisation of £3.9 million. Including dividends received over its term, full redemption of the investment in agri.capital represented a 36% IRR to the Company. There has been a small reduction in the carrying value of the investment in RAP in following the requirements of the International Private Equity and Venture Capital Valuation Guidelines and other accounting requirements. However we remain confident about the Company's prospects and potential value at ultimate realisation. Also, our listed securities Hydrodec and Hightex have continued to disappoint. STX has performed well, proven its business model and grown. New Earth Solutions Group has expanded its business in the UK and has considerable further waste treatment opportunities. RAP has strengthened its business with the recent launch of additional innovative packaging solutions and increased sales. Whilst profitability has not yet met expectations it is well positioned for margin improvements. At year end the Company had over £20 million of potential investments in due diligence.

There was a lower than expected rate of investment in financial year 2010-2011 leading to a high level of cash held. Generally, bank finance remains difficult both for large, limited recourse projects in the waste and renewable sectors and for working capital in smaller manufacturers.

The Adviser has recommended a well diversified portfolio of cleantech and environmental companies, has demonstrated the capacity to fulfill the Company's original return expectations and created opportunities to continue to do so. The Board therefore assessed the year as one of discovery and for this reason, in discussion with shareholders, decided to undertake a strategic review.

The Board is mindful that there has been limited liquidity in the shares of the Company which trade at a discount to NAV, not dissimilar to other listed private equity funds. Although the Company outperformed its peers in the narrowly defined environmental sector, we must assess its continuing capacity to do so, including the most effective means of distributing returns from investments over the remaining life of the Company to fulfill our stated and well rehearsed investment objectives. In our original admission document we stated that the Company would invest for up to six years before distributing capital to shareholders and might seek to extend the life of the Company by four years. Within our strategic review we will assess shareholders' continuing appetite and support for this policy. We will therefore consult widely with shareholders before making recommendations to the AGM. The strategic review announced on 15th July 2011 is ongoing and a further announcement is expected by the end of September.

The Company is compliant with all the principles of the AIC Corporate Guide for Investment Companies and the relevant provisions of the UK Corporate Governance Code, with the exception of the role of a chief executive, executive directors' remuneration and the need for internal audit. The Board considers that these are not relevant to an externally advised investment company. The Company's Audit Committee has met regularly and reviewed controls over financial reporting and made appropriate recommendations to the Board. Regulatory compliance for the Jersey Financial Services Commission ("JFSC") and Financial Services Authority ("FSA") has been monitored by State Street (Jersey) Limited and Ludgate Investments Limited ("LIL") and overseen by the Board. The Company has established consistent and auditable principles of valuation in respect of its assets; these are applied by the Adviser and administrator separately in determining the NAV recommendation for Board approval, reviewed by the Auditor for the Board at the half year in addition to the full year audit.

I wish to thank and commend my fellow Board members for their commitment and engagement with the Company over the period under review. The Company has robust and thoughtful governance, capable and enthusiastic to implement strategic change. Within the Adviser, LIL, the promotion from within the team of a new CIO and strengthening of the investment team has enhanced the discovery of investable cleantech assets within the stated focus sectors and the portfolio management of assets held. The disappointing rate of investment over the year notwithstanding, the Company has the professional management and financial resources to fulfil expectations. The new investments the Company has discovered in cleantech and environmental assets, the performance of portfolio companies and the realisations made give us confidence in the Company's ability to exploit the sector successfully.

Despite immediate financial concerns over the eurozone debt crisis we are confident that, as a result of convergent global trends in resource scarcity, energy and materials security, population growth and climate change, the cleantech market will thrive over the longer term. Regions with strong regulatory and financial frameworks, particularly Europe, are likely to lead the cleantech market.

Director Biographies

John Shakeshaft – Chairman

John, 57, has 25 years' experience as a corporate finance and capital markets banker. He is a Director and Chairman of the Audit Committee of Tele2 AB, listed on the OMX Nasdaq exchange, of Xebec, Inc, listed on the TSX and of The Economy Bank, NV, supervised in the Netherlands. He is also a Director of TT electronics, plc listed on the LSE and of Valiance Funds regulated in Guernsey. John is a member of the Council of Cambridge University and chairman of the audit committee. He is also a director of the Alternative Theatre Company and a trustee of the Institute of Historical Research. He was educated at Cambridge, Princeton and London Universities. He served for nine years in HM Diplomatic Service.

John is considered by the Company to be an independent Director on the basis that he is independent of the Adviser.

Matt Christensen – Director

Matt, 42, is the Global Head of Responsible Investment for AXA Investment Managers. Prior to his appointment, Matt was the Executive Director of Eurosif, the leading European think tank dedicated to public policy and research on sustainable and responsible investment matters. He is also a Director of Oikocredit, one of the largest private financiers worldwide in the microfinance sector as well as a Director for the Munro Fundamental Tracker Fund. Matt is a frequent speaker at international events on sustainable investment matters and was a member of the European Commission's Co-ordination Committee to explore the future of sustainability policy in the EU. He was formerly a European Director at The Motley Fool, a leading publisher of information on personal finance and investing. Prior to that, he advised European clients as a strategy consultant with Braxton Associates. He holds masters degrees from Wharton (MBA) and the University of Pennsylvania (MA).

Matt is considered by the Company to be an independent Director on the basis that he is independent of the Adviser.

Donald Adamson – Director

Donald Adamson, aged 52, is a resident of Jersey and Chairman of the Offshore Committee of the Association of Investment Companies.

He has 28 years' experience in fund management, private equity and corporate finance. He built, with a partner, and sold Graham Investment Managers Limited, a Jersey based fund manager. Currently he manages his family's private office and serves on the boards of a number of listed and privately held investment companies. He holds an MA from University College, Oxford, carried out graduate research at Nuffield College, Oxford and is a Member of the Chartered Institute of Securities and Investment.

Donald is considered by the Company to be an independent Director on the basis that, since the Manager was liquidated on 2nd August 2010, he is independent of the Adviser.

David Pirouet – Director

David Pirouet, 57, a Jersey resident, is a qualified accountant. He was an audit and assurance partner for 20 years with PricewaterhouseCoopers CI LLP ("PwC") until he retired in June 2009. He specialised in the financial services sector, in particular in the alternative investment management area. He also led PwC's Channel Islands hedge fund management practice for over four years.

Since retiring from PwC, Mr. Pirouet has carried out a four month project for the Chief Minister's Department in the States of Jersey, reporting to the Director for International Finance. He currently serves on the Boards of a number of listed and privately held alternative investment vehicles.

David is regulated by the JFSC for the provision of services as a non-executive director. Mr. Pirouet has worked in London and Canada as well as the Channel Islands. He is considered by the Company to be an independent Director on the basis that he is independent of the Adviser.

Sian Hansen – Director

Sian, 47, is the Managing Director of Policy Exchange, the UK's leading centre-right think tank which is an educational charity promoting research and discourse on public policy, including environmental and climatic issues. She is also a Director of The Women's Refugee Commission (USA) and a trustee of The Prospero World Charitable Trust in the UK. Sian currently provides a corporate governance proxy management service for fund investors. Sian was formerly Head of Sales for Asian equities at Société Générale. Prior to this Sian was an equity analyst and broker with Enskilda Securities in Europe.

Sian is considered by the Company to be an independent Director on the basis that she is independent of the Adviser.

Investment Adviser's Report

Highlights and Key Financial Data

- Net assets increased to £58.8 million at 30th June 2011, with a NAV per ordinary share of 104.6 pence (2010: £45.3 million and 98.6 pence).
- Before realisations, £38.3 million had been invested into 11 companies by 30th June 2011 (2010: £30.9 million into 11 companies).
- During the year investments and other loans totalling £7.4 million were made into five companies.
- The Company achieved its first significant exit in April 2011. The Company had invested £9.8 million between 2008 and 2010 into agri.capital and earned a total return on its sale, including dividends, of £15.1 million.
- A placing of new shares, raising £10.0 million gross, was completed in August 2010.
- Interest and dividend income receivable of £1.4 million from investments and cash deposits.
- Cash balances were £ 33.8 million as at 30th June 2011.
- Investments made since the year end include Lumicity (£1.0 million) and ECO Plastics (£5.0 million).

Investments, Interest and Dividends

The table below summarises the position of the Company as at 30th June 2011. Investments made subsequent to year end are not included.

Currency: £m			Investment Amount £m				
Company	Activity	*Notes*	Equity	Convertible/Other	Total	Fair Value	*% of NAV*
New Earth Solutions	Waste treatment		5.0	–	5.0	5.9	*10.0*
Rapid Action Packaging	Food packaging		5.0	2.3	7.3	7.3	*12.4*
Hydrodec Group	Oil recycling		3.5	3.0	6.5	4.1	*7.0*
Terra Nova	Electronic waste recycling		2.7	–	2.7	3.0	*5.1*
STX Services	Environmental broking		0.7	–	0.7	2.4	*4.1*
Hightex Group	Solar cooling		0.7	–	0.7	0.6	*1.0*
Phoslock Water Solutions	Water treatment		0.4	–	0.4	0.6	*1.0*
Renewable Energy Generation	Wind developer		0.7	–	0.7	0.4	*0.7*
Emergya Wind Technologies	Turbine manufacturer		4.5	–	4.5	0.2	*0.3*
			23.2	5.3	28.5	24.5	*41.7*
Cash at bank						33.8	*57.5*
Other assets/liabilities						0.5	*0.9*
						58.8	*100.0*

The Company earned a gross amount of interest and dividend income of £1.4 million during the year, of which £0.2 million was accrued and not received as at 30th June 2011. The overall income yield on assets under management as at 30th June 2011 was 2.4%.

Operational Review

The Adviser reviews and tests the strategy, performance and liquidity position of each of the Company's investee companies regularly as a basis for active management.

In the year ended 30th June 2011, the Adviser recommended and the Company completed investments and other loans of £7.4 million into five companies.

The profitable sale in April 2011 of the investment in agri.capital increased cash balances by £13.8 million. Shortly after year end, the Adviser recommended and the Company made an investment into ECO Plastics of £5.0 million and Lumicity of £1.0 million.

The Company's investments have been made in a broad range of financial instruments including equity (quoted and unquoted), preferred equity and convertible debt. Market conditions in recent years have resulted in a number of the investments being structured to enhance downside protection through an emphasis on debt-like instruments, including convertible loan stock and on minimum return liquidation preference.

Potential Investments

Due diligence is being conducted on particular companies to the current value of £20.0 million across all four focus areas: waste and recycling, renewable energy, energy efficiency and water.

Adviser to the Company

Bill Weil was appointed to Chief Investment Officer in March 2011 with overall responsibility for making investment recommendations, deal structuring and sourcing on behalf of the Company. He joined the Adviser in 2008.

Nick Curtis has responsibility for deal sourcing, structuring, execution and portfolio monitoring, having joined the Adviser in 2009.

Matthew Sheppee joined the Adviser in July 2011 with responsibilities including financial due diligence, modelling and portfolio monitoring on behalf of the Company.

Nigel Meir, previously a director of the Adviser with responsibility principally for investor and shareholder relations, left at the end of May 2011.

Major Investments

Rapid Action Packaging Ltd ("RAP")

Food packaging solutions

Valuation at 30th June 2011 (method): £7.3 million (fair value)
Investment: £5.0 million (ordinary shares), £2.3 million (12.0% convertible loan notes), £0.2 million (warrants) and £0.25 million working capital loan.

Ownership: 36.6%; fully diluted after warrants 46.1%
Date(s) of investment: Q2 2008; Q3 2010; and Q2 2011

Company summary:
Specialists in the design, manufacture and supply of innovative, cost effective and environmentally responsible packaging systems particularly for the "food on the move" marketplace.

Further information can be found at www.rapuk.com.

Investment during the year:
In June 2011, the Company invested a further £3.5 million into RAP; £1.0 million in the form of ordinary shares and £2.3 million in 12% convertible loan notes with a term date of April 2013 and £0.25 million working capital loan. RAP is experiencing strong customer demand for both its existing and recently launched new packaging systems. The funds from further investment by the Company were used to purchase new capital equipment needed to increase output to meet this demand and also repaid a working capital facility provided by the Fund.

Recent highlights:

- In June 2011 RAP secured new funds from its shareholders of £3.5 million. The funds were used to enable the business to purchase additional equipment and refinance a working capital facility of £1.85 million.
- Additional equipment has been ordered for RAP's factory in Ireland, increasing capacity by between 150 million and 200 million units per year.
- A European patent has been granted covering RAP's range of hermetically sealable carton packaging. The patent protects the innovative processes used in producing three new products, a food tray aimed at the ready meal market, a semi-ridged flow wrap and a sandwich triangle.
- RAP's first laminated food tray was launched with a major UK high street retailer and trials are underway with other food manufacturers.
- The Freshpack system launched by RAP during the year and aimed at the UK sandwich market is continuing to roll out to additional supermarket chains and other retail outlets.

The Company has the right to two seats on the Board of RAP and has appointed Nick Curtis and Nick Pople, of the Investment Adviser, as its Directors.

STX Services B.V.

Environmental product broking

Valuation at 30th June 2011 (method): £2.4 million (fair value)
Investment: £0.7 million (ordinary shares)
Ownership: fully diluted 23.8%
Date(s) of investment: Q4 2007; Q1/Q2 2008

Company Summary:
STX is an Amsterdam-based broker specialising in environmental financial products with a particular focus on the carbon markets. STX has mostly been active in EU Emission Allowances but has diversified into Certified Emission Reduction, Biofuel Tickets, Green Certificates and other environmental trading. STX is active across the European markets.

Further information can be found at www.stxservices.com.

Investment During The Year:
No further investments were made during the year. Our ownership decreased from 24.9% to 23.8% following the issue of additional shares to some employees as part of STX's management incentive programme.

Recent Highlights Include:

- STX has continued to deliver a strong financial performance in the first quarter of its new financial year (01 April – 30 June) with gross revenues significantly above budget, and 500 transactions completed.
- STX has 30 employees, of which 21 are brokers trading 23 different products with companies in 25 different countries.

The Company has the right to nominate a member either on the Management or Supervisory Board of STX.

Terra Nova SAS

Electronic waste recycling

Valuation at 30th June 2011 (method): £3.0 million (fair value)
Investment: £2.7 million (preference shares)
Ownership: 25.0%
Date(s) of investment: Q4 2009

Company summary:
Terra Nova is a French company established to develop, construct and operate a printed circuit board treatment and recycling business. The company has a 30,000 tonne per annum pyrolysis plant to pre-treat recovered metals from waste electronics for the major metal smelters.

Further information can be found at www.tnmetal.fr.

Investment during the year:

No further investment was made during the year.

Recent highlights:

- Terra Nova has completed the construction of its pre-treatment and recycling plant for printed circuit boards in Northern France on time and to budget and is now ramping up production.
- A full operational team for the plant has been recruited and trained.
- Feedstock sourcing plan is well in place, including international suppliers.
- Key customers signed up and accepted trial lots.
- Positive discussions underway with further customers for production volumes greater than the capacity of the plant.
- Hedging process is in place with BNP Paribas to mitigate metal price exposure.
- Research and development efforts continue to uncover significant opportunities for expansion, both to the existing process and to expand into other metals recycling opportunities.

The Company has secured the appointment of Charles DesForges (adviser to the Investment Adviser) as Chairman and has nominated Bill Weil, of the Investment Adviser, as an observer on the Board.

New Earth Solutions Group Ltd

Waste treatment and renewable energy

Valuation at 30th June 2011 (method): £5.9m (fair value)
Investment: £5.0m (preferred B ordinary shares)
Ownership: 6.8%
Date(s) of investment: Q3 2009

Company Summary:
New Earth Solutions Group is a waste treatment and renewable energy specialist providing sustainable waste treatment processes to local authority and commercial customers across the UK, helping them maximise recycling and minimise the impact on the environment by diverting waste away from landfill and generating low-carbon renewable energy.

Further information can be found at www.newearthsolutions.co.uk.

Investment during the year:

No further investment was made during the year.

Recent highlights:

- Construction of Avonmouth waste treatment facility was completed on time and has now started processing waste under a contract which commenced on 1st April 2011 to treat 120,800 tonnes per annum of residual waste from West of England over a 5 + 4 year contract period.
- A 24 year contract has been signed with Scottish Borders to treat 45,000 tonnes per annum of residual waste and 20,000 tonnes per annum of dry mixed recyclates, the latter now in effect under sub-contract.
- A planned 60,000 tonnes per annum facility in Scottish Borders has been granted planning permission.
- The in-house energy team's capability has been strengthened with the employment of two specialist engineers.
- Dorset County Council have awarded a new contract to New Earth Solutions Group for 20,000 tonnes per annum of residual waste over a six year period for treatment at the Canford waste treatment facility.
- Diversion of local authority waste away from landfill has been strengthened by further landfill tax increases in April 2011.
- Compost from facilities in Kent and Gloucestershire have been certified as meeting PAS100 standard meaning more agricultural customers can utilise the product.

Nick Pople and Bill Weil, of the Investment Adviser, are the Company's nominated observers on the Board of New Earth Solutions Group.

Hydrodec Group plc (AIM:HYR)

Specialist oils recycling

Valuation at 30th June 2011 (method): £4.1 million (market value)
Investment: £3.5 million (ordinary shares); £3.0 million (8.0% convertible loan notes)
Ownership: 3.88%; 7.76% fully diluted
Date(s) of investment: Q4 2007, Q1/Q2/Q4 2008, Q1/Q2 2009

Company summary:
Hydrodec's technology is a patented sustainable oil refining process that takes existing spent oil as feedstock to produce new specialty oils thus creating a virtuous green cycle. The process is closed loop and produces no harmful emissions.

Further information can be found at www.hydrodec.com.

Investment during the year:
No further investment was made during the year.

Significant announcements in 2010-11:

- 11th July 2011 – First operating joint venture in Japan signed. Shareholders' agreement formally executed to create Hydrodec's first joint operating entity in Japan, allowing the parties jointly to begin the plant construction. Start-up expected in second half of 2012.
- 9th June 2011 – AGM Statement. Chairman said that Hydrodec had "maintained a steady trading momentum" and demand for SUPERfine products had "remained strong in both the US and Australia."
- 25th May 2011 – £2.0 million debt financing to fund growth. Hydrodec raised £2.0 million of secured, three-year 10% loan notes, repayable by 31st July 2014.
- 7th April 2011 – Results for year ended 31st December 2011. Revenues up 71% to $17.8 million (2009: $10.4 million); operating loss down to $6.7 million (2009: $11.5 million); operating cash burn down to $4.5 million (2009: $8.8 million); and sales volumes up 71% to 20.2 million litres (2009: 11.8 million litres).
- 24th September 2010 – £3.0 million fund raising. Hydrodec placed 50 million shares at 6 pence each.
- 19th July 2010 – Trading update. Record quarterly sales volumes of SUPERfine, up 79% on Q1 2010 and up 36% on previous high in Q4 2009. Paul Manchester appointed Finance Director and Stephen Harker as Chief Operating Officer.

Convertible unsecured loan stock holders, including the Company, have the right to nominate a director to the Board. No appointment has yet been made.

Investments made after year end

ECO Plastics Ltd

Plastic bottle recycling

Valuation (method): £5.0 million (cost)
Investment: £5.0 million (preferred ordinary shares)
Ownership: 18.2%
Date(s) of investment: Q3 2011

Company summary:
ECO Plastics is Europe's largest recycler of mixed plastic bottles. Operating the most technically advanced plastics recycling facility in Europe, it produces 11 different streams of plastics, including food-grade recycled content (rPET) suitable for soft drinks packaging.

Further information can be found at www.ecoplasticsltd.com.

Investment since the year end:
In July 2011, an investment was made into ECO Plastics, structured as £5.0 million through the subscription for preferred ordinary shares.

Recent highlights:
- £24.0 million raised in July 2011 from the Company, Coca-Cola Enterprises and Close Brothers to drive expansion plans at Hemswell recycling facility.
- The plant expansion, which secured planning approval in May 2011, will increase overall processing capacity from 100,000 to 140,000 tonnes.
- The expanded facility will be fully operational in 2012
- Coca-Cola Enterprises announced in May 2011 a £5.0 million investment into the expansion of ECO Plastics plant for a 33% stake of a joint venture.
- Coca-Cola Enterprises has publicly stated that by the end of 2012, 25% of their bottles will be produced from post-consumer recycled material.

The Company has the right to a seat on the Board of ECO Plastics and has appointed Bill Weil as its director.

Lumicity Ltd

Solar development

At 30th June 2011: £0.3 million convertible loan
Investment: £1.3 million (274,000 A preference shares, £750,000 convertible loan notes)
Ownership: 45.8%
Date(s) of investment: Q3 2011

Company summary:
Lumicity provides discounted barn and car parking facility rooftop solar projects in the UK. Feed-in tariffs introduced on 1st April 2010, and fixed until 31st March 2012, created the opportunity for UK solar developers. The company works with exclusive construction and installer partners to implement integrated solar building projects.

Further information can be found at www.lumicity.com.

Investment since year end:
In August 2011, the Company completed an investment of £1.0 million into Lumicity structured as a combination of preference shares and convertible loan notes together with the conversion of the existing loan of £0.3 million.

Recent highlights:
- Agreement in place with leading UK barn builder and UK solar installer.
- Over 10MW of projects in negotiation and more than 200 sites in the active pipeline.
- Experienced team brought together with development and solar construction expertise.
- Strong interest from the financial community to finance the projects once built.
- Initial projects in planning and grid review.

The Company has the right to a seat on the Board of Lumicity and has appointed Bill Weil, of the Investment Adviser with Nick Curtis as his alternate.

Investment realisation

agri.capital GmbH

Biogas developer, owner and operator

Company summary:
agri.capital is one of the leading biogas and biomethane producers in Europe with operations throughout Germany. It controls over 400 GWh of renewable power each year in operation or construction at more than 60 project sites.

Further information can be found at www.agricapital.com

Investment Details:
- The Companysupported growth of agr.capital with investment in three tranches of preference shares
- €3.0 million in October 2008
- €4.3 million in April/October 2009
- €4.0 million in December 2010.
- The Company also nominated an observer to participate in Board and strategy meetings of agri.capital.

Exit Details:
- 1st April 2011 Alinda Capital Partners acquired a majority stake in agri.capital and committed to invest over €300 million to fund growth.
- All preference shares held were redeemed as a result of the Alinda transaction, delivering a full exit to the Company.
- Investment of (£9.9 million) in agri.capital provided a total return to the Company, including dividends received, of €17.5 million (£15.1 million).
- The full exit from agri.capital delivered a 1.6x multiple and 36% IRR to the Company.

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 30th June 2011.

INCORPORATION
Ludgate Environmental Fund Limited (the "Company") was incorporated in Jersey, Channel Islands on 7th June 2007.

ACTIVITIES
The Company is a closed-ended investment company investing in the cleantech sector including waste management and recycling, renewable energy, energy efficiency and water.

RESULTS AND DIVIDENDS
The net increase in net assets attributable to shareholders from operations before dividends for the year amounted to £4,459,594 (2010: net decrease of £4,380,680).

The Directors declared a dividend for the year ended 30th June 2010 of 1.65 pence per share in issue as at 30th June 2010. The dividend was paid on 4th and 9th August 2010.

Subsequent to the balance sheet date, the Directors have recommended an interim dividend of 1.75 pence per share in issue as at 29th July 2011, be payable on 12th August 2011.

GOING CONCERN
The Directors are of the opinion that the Company is a going concern, and the financial statements have been prepared on that basis.

CORPORATE GOVERNANCE
As a Jersey incorporated company and under the AIM Rules for Companies, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council in May 2010 (the "Code"). However, it is the Company's policy to comply with best practice on good corporate governance that is applicable to investment companies.

The Board has therefore considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Code, as well as setting out additional principles and recommendations on issues specific to investment companies.

The Board considers that it is appropriate to report against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Code) and that the Company has complied with the principles and recommendations throughout the accounting period, except where indicated below and compliance in respect of the chief executive, executive directors' remuneration and an internal audit function as per page 18. The following statement describes how the relevant principles of governance are applied to the Company.

THE BOARD
The Board up to 2nd August 2010 consisted of five non-executive Directors and the Chairman was John Shakeshaft. The Directors consider that the Chairman is independent for the purposes of the AIC Code.

Up to 2nd August 2010, Douglas Maccabe was a director of the Company and of the Company's former Manager. On 2nd August 2010, Douglas Maccabe resigned from the Board and Donald Adamson and David Pirouet were appointed as non-executive Directors. Donald Adamson was the Chairman of the former Manager until that company was dissolved on 30th December 2010. Helen Grant resigned from the Board with effect from 3rd August 2010.

The Company has no executive directors and no employees. However, the Board has engaged external companies to undertake investment advisory and administrative activities of the Company together with the production of the Annual Report and Financial Statements which are independently audited. Clear documented contractual arrangements are in place between these firms that define the areas where the Board has delegated responsibility to them. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control.

The Board meets at least four times a year and between these formal meetings there is regular contact with the Adviser, Nomad and Broker. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and that should be brought to the attention of the Directors. The Directors also have access to the Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The Board has a breadth of experience relevant to the Company and they have access to independent professional advice at the Company's expense where they deem it necessary to discharge their responsibility as Directors. The Directors believe that any changes to the Board's composition can be managed without undue disruption. With any new appointment of a Director to the Board, consideration is given as to whether a formal induction process is appropriate and if any relevant training is required.

The Board considers agenda items laid out in the notice and agenda which are formally circulated to the Board in advance of a meeting as part of the Board papers and therefore Directors may request any agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance may be unavoidable in certain circumstances. Members of the Board are deemed to be in attendance when present at meetings in jurisdictions where they may participate in the discharge of the Company's business. All members of the Board may observe meetings from other jurisdictions but neither participate in the conduct of business, vote or be considered for quoracy.

During the year under review the Board met sixteen times. Of those sixteen meetings, Messrs Donald Adamson and David Pirouet attended twelve, John Shakeshaft attended seven, Matt Christensen attended fourteen, Sian Hansen attended five and Helen Grant attended two. There were also three other Board Committee meetings, which were attended by Messrs Donald Adamson and David Pirouet.

The Board has been continuously engaged in a review of the Company's strategy with the Adviser to ensure the deployment of appropriate strategies under prevailing market, political and economic conditions at any particular time, within the overall investment restrictions of the Company.

To support the review of the strategy, the Board has focused at Board Meetings on a review of individual investments and returns, country exposure, the overall portfolio performance and associated matters such as gearing and pipeline investment opportunities. Additionally a strong focus of attention is given to marketing/investor relations, risk management and compliance, peer group information and industry issues.

The Board evaluates each Director's own performance on an annual basis and believes that the mix of skills, experience, ages and length of service are appropriate to the requirements of the Company and in accordance with the AIC Code. Directors shall retire and stand for re-election at intervals of no more than three years. Each Director is appointed subject to the provisions of the Articles of Association in relation to retirement.

BOARD RESPONSIBILITIES

The Board meets at least four times a year to consider, as appropriate, such matters as:

- The overall objectives for the Company;
- Risk assessment and management, including reporting, monitoring, governance and control;
- Any shifts in strategy that may be appropriate in light of changes in market conditions;
- The appointment, and ongoing monitoring, through regular reports and meetings of the Adviser, Administrator and other service providers;
- Review of the Company's investment performance;
- Share price performance;
- Statutory obligations and public disclosure;
- The shareholder profile of the Company; and
- Transactional and other general matters affecting the Company

These matters are discussed by the Board to clearly demonstrate the seriousness with which the Directors take their fiduciary responsibilities and as an ongoing means of measuring and monitoring the effectiveness of their actions.

COMMITTEES OF THE BOARD

The Board has not deemed it necessary to appoint a nomination or remuneration committee as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

AUDIT COMMITTEE

The Board operates an Audit Committee which consists of Matt Christensen, Helen Grant (up to 3rd August 2010), Donald Adamson (from 2nd August 2010), David Pirouet (from 2nd August 2010), Sian Hansen and John Shakeshaft. David Pirouet was appointed as Chairman of the Committee on 31st January 2011 after Matt Christensen resigned as Audit Committee Chairman. The Audit Committee operates within defined terms of reference as agreed by the Board which are available from the Secretary upon request. Due to the Company's size, the Board considers it appropriate that all of the Board may sit on the Audit Committee but that the Committee is chaired by one of the independent non-executive Directors other than the Company's Chairman. The Audit Committee's function is to ensure the Company's financial performance is properly reported on and monitored and the Audit Committee reviews the following:

- The Annual and Interim Financial Statements;
- Internal control systems and procedures;
- Accounting policies of the Company;
- The Auditor's effectiveness and independence; and
- The Auditor's remuneration and engagement, as well as any non-audit services provided by them.

When required the Audit Committee meetings are also attended by the Administrator and the Company's Auditors. The Audit Committee meets at least twice a year.

During the year under review the Committee met twice. Of those two meetings, Messrs Matt Chistensen, Donald Adamson, John Shakeshaft and David Pirouet attended two and Sian Hansen attended one.

Report of the Directors

UK BRIBERY ACT 2010
The Board is currently considering the implications of the UK Bribery Act 2010, which came into effect on 1st July 2011 and will ensure that its policies and procedures fully address the Act's requirements.

INTERNAL CONTROLS
The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. In line with general market practice for investment companies, the Directors do not conduct a formal annual review of the internal controls. However, the Board does conduct an annual review of the financial reporting procedures and corporate governance controls and feels that the procedures employed by the service providers adequately mitigate the risks to which the Company is exposed.

The key procedures which have been established to provide effective internal controls are as follows:
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts;
- The Board reviews financial information produced by the Administrator and the Adviser on a regular basis; and
- The Company does not have an internal auditor. All of the Company's management functions are delegated to independent third parties and it is therefore considered that there is no need for the Company to have an internal auditor.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

RELATIONSHIPS WITH SHAREHOLDERS
The Directors, the Adviser, the Nomad and Broker maintain a regular dialogue with major shareholders, the feedback from which is reported to the Board. In addition, Board members will be available to respond to shareholders' questions at the Annual General Meeting.

The Board monitors the trading activity and shareholder profile on a regular basis.

Shareholder sentiment is also ascertained by the careful monitoring of the premium/discount that the shares are traded in the market when compared to those experienced by similar companies. Major shareholders are contacted directly by the Adviser on a regular basis.

The Company reports formally to shareholders twice a year and a proxy voting card is sent to shareholders with the Annual Report and Financial Statements. Additionally, current information is provided to shareholders on an ongoing basis through the Company's website. The Secretary monitors the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting. Shareholders may contact the Directors via the Secretary.

DIRECTORS
The Directors who held office during the year and subsequently (except where stated) were:-

J. Shakeshaft (Chairman)
S. Hansen
M. Christensen
D. Adamson (appointed 2nd August 2010)
D. Pirouet (appointed 2nd August 2010)
H. Grant (resigned 3rd August 2010)
D. Maccabe (resigned 2nd August 2010)

SECRETARY
The Secretary is State Street Secretaries (Jersey) Limited of 22 Grenville Street, St. Helier, Jersey, JE4 8PX.

INDEPENDENT AUDITORS
BDO Alto Limited have expressed their willingness to continue in office.

REGISTERED OFFICE
22 Grenville Street
St. Helier
Jersey
JE4 8PX

BY ORDER OF THE BOARD
Kirsty Videgrain
Authorised Signatory
State Street Secretaries (Jersey) Limited
Secretary
Date: 16 September 2011

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards, as adopted by the European Union.

Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial year, which 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991. 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 have taken all steps that they ought to have taken to make themselves aware of the information needed by the Company's Auditors for the purpose of their audit and to ensure that the auditors are aware of that information. The Directors are not aware of any relevant information of which the Auditors are unaware.

Independent Auditors' Report

To the Members of Ludgate Environmental Fund Limited

We have audited the financial statements of Ludgate Environmental Fund Limited (the "Company") for the year ended 30 June 2011 which comprise the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Equity Shareholders, the Statement of Cash Flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 Statement of Directors' Responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the statement of investment policy, chairman's statement, directors' biographies, adviser's report, major investments report, investments made after year end report, investment realisation report and directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Philip Braun FCA
for and on behalf of BDO Alto Limited
Chartered Accountants
Jersey

16 September 2011

Note:
The maintenance and integrity of the Ludgate Environmental Fund Limited web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that occur to the financial statements or financial information due to their posting on the web site.

Balance Sheet

As at 30th June 2011

	Notes	2011	2010
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	7,22	24,170,394	26,719,866
		24,170,394	26,719,866
Current assets			
Derivatives at fair value through profit or loss	7,8	208,362	682,737
Loans receivable	10	745,388	1,200,000
Trade and other receivables	11	236,298	261,208
Cash and cash equivalents	9	33,801,516	16,672,333
		34,991,564	18,816,278
TOTAL ASSETS		**£59,161,958**	**£45,536,144**
LIABILITIES			
Non-current liabilities			
Retention of performance fees	13	187,384	186,164
Current liabilities			
Trade and other payables	12	130,630	44,193
TOTAL LIABILITIES		**318,014**	**230,357**
NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**£58,843,944**	**£45,305,787**
TOTAL LIABILITIES AND NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**£59,161,958**	**£45,536,144**
Net asset value per ordinary share outstanding		£1.05	£0.99

These financial statements on pages 19 to 47 were approved and authorised for issue by the Board of Directors on 16th September 2011 and were signed on its behalf by:

Director:
David Pirouet

Statement of Comprehensive Income

For the year ended 30th June 2011

	Notes	2011	2010
INCOME:			
Deposit interest income		205,354	302,209
Income on financial assets at fair value through profit or loss		1,193,468	1,738,240
Loan facility interest		-	461
Other income		149,449	-
Gain on financial assets and derivatives at fair value through profit or loss	7,8	4,053,856	107,441
Movement on foreign exchange		546,939	(166,997)
		6,149,066	1,981,354
EXPENSES:			
Loss on financial assets and derivatives at fair value through profit or loss	7,8	-	4,589,458
Legal fees		52,415	41,816
Professional fees		236,487	169,003
Adviser fees	18	1,106,616	967,807
Provision for interest receivable	11	-	357,988
Administration and accountancy fees		100,990	89,875
Directors' fees and expenses	4	161,688	102,968
Transaction cost		-	7,148
Audit fees		19,080	32,265
Miscellaneous fees		12,196	3,706
		1,689,472	6,362,034
TOTAL COMPREHENSIVE INCOME		£4,459,594	£(4,380,680)
Gain/(loss) per ordinary share	**6**	**£0.08**	**£(0.10)**

Statement of Shareholders Changes in Net Assets Attributable to Equity

For the year ended 30th June 2011

	Notes	Ordinary shares and warrants issued	Change in net assets attributable to equity shareholders	Total net assets attributable to equity shareholders
FOR THE YEAR ENDED 30TH JUNE 2011				
Opening balance as at 1st July 2010		47,729,427	(2,423,640)	45,305,787
Issue of ordinary shares		10,000,009	-	10,000,009
Total comprehensive income		-	4,459,594	4,459,594
Placement fees		(163,000)	-	(163,000)
Dividends paid to equity shareholders	5	-	(758,446)	(758,446)
Balance at 30th June 2011	14	£57,566,436	£1,277,508	£58,843,944
FOR THE YEAR ENDED 30TH JUNE 2010				
Opening balance as at 1st July 2009		47,729,427	2,646,536	50,375,963
Total comprehensive income		-	(4,380,680)	(4,380,680)
Dividends paid to equity shareholders	5	-	(689,496)	(689,496)
Balance at 30th June 2010	14	£47,729,427	£(2,423,640)	£45,305,787

Statement of Cash Flows

As at 30th June 2011

	Notes	2011	2010
Cash flows from operating activities	17	(1,294,161)	(1,080,420)
Cash flows from investing activities			
Purchase of investments	7	(6,694,632)	(11,341,197)
Sale of investments	7	13,772,337	297,089
Interest and dividends received		1,265,525	2,083,206
Loan finance provided	10	(745,388)	(900,000)
Loan finance repaid	10	1,200,000	210,570
		8,797,842	(9,650,332)
Cash flows from financing activities			
Dividends paid to equity shareholders		(758,446)	(689,496)
Proceeds from issue of ordinary shares during the year		9,837,009	-
		9,078,563	(689,496)
Net increase/(decrease) in cash and cash equivalents		16,582,244	(11,420,248)
Effects from changes in exchange rates on cash and cash equivalents		546,939	(166,997)
Cash and cash equivalents at beginning of the year		16,672,333	28,259,578
Cash and cash equivalents at end of the year		**£ 33,801,516**	**£ 16,672,333**

Notes to the Financial Statements

For the year ended 30th June 2011

1. REPORTING ENTITY

The Company was registered as a public company on 7th June 2007 with registered number 97690 under the Companies (Jersey) Law 1991. The Company joined the Alternative Investment Market ("AIM") on the 2nd August 2007. The registered office of the Company is 22 Grenville Street, St Helier, Jersey, JE4 8PX.

The Company will have a life of approximately eight years from admission to AIM, expiring on 30th June 2015 (the "Proposed Wind-up Date"). The Directors may, not less than three months prior to the Proposed Wind-Up Date, propose a special resolution to extend the life of the Company by four years. Further such resolutions may then be proposed in the same manner not less than three months prior to the expiry of each such four year period.

2. ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union and International Accounting Standards Board ("IASB"), and its predecessor body, as well as interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and its predecessor body. The more significant policies are set out below:-

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the Company. Consequently, no mandatory New Accounting Requirements are listed. The Company has not adopted any New Accounting Requirements that are not mandatory.

Non-mandatory New Accounting Requirements not yet adopted

IFRS 9 (Replacement of IAS 39), "Financial Instruments: Recognition and Measurement" has been issued by the IASB. However, this New Accounting Requirement has not yet been adopted by the European Union and therefore is not permitted to be adopted by the Company. All other non-mandatory New Accounting Requirements are either not yet permitted to be adopted, or would have no material effect on the reported performance, financial position, or disclosures of the Company and consequently have neither been adopted, nor listed.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for the below. The policies have been consistently applied to both periods presented.

Financial instruments at fair value through profit or loss and derivatives at fair value though profit and loss are measured at fair value and changes therein are recognised in the statement of comprehensive income. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised within the financial statements are included in Section o of note 2 'Determination of fair values'.

c) Functional and presentation currency

These financial statements are presented in sterling, which is the Company's functional and presentation currency.

d) Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Notes to the Financial Statements

2. ACCOUNTING POLICIES – (CONTINUED)

e) Foreign currencies

Transactions in foreign currencies, other than sterling, are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to sterling at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

f) Financial instruments

Financial assets and financial liabilities are initially recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of a given instrument.

Purchases and sales of financial instruments are recognised on the trade date. Gains and losses are recognised from that date.

Financial assets cease to be recognised when the contractual rights to cash flows from the assets expire or the Company transfers the financial assets and substantially all of the risks and rewards of ownership have been transferred. Financial liabilities cease to be recognised when the liabilities are extinguished.

Financial instruments comprise investments in equity and debt securities, warrants, loans receivable, trade and other receivables, cash and cash equivalents, trade and other payables and performance fees retained.

Financial instruments are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured as described below.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or designated as such upon initial recognition. The Company has designated its investment holdings as at fair value through profit or loss as permitted by International Accounting Standard 39 Financial Instruments: Recognition and Measurement. These financial assets are designated on the basis that they form part of a group of financial assets which are managed and have their performance evaluated on a fair value basis. Upon initial recognition attributable transaction costs are recognised in the statement of comprehensive income when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income.

Derivatives at fair value through profit or loss

The warrants held by the Company are classified as derivative financial instruments held for trading. Therefore they are recognised at fair value, with realised and unrealised gains and losses being recognised in the statement of comprehensive income. The derivatives are derecognised when the rights to receive cash flows from it have expired or the Company has transferred substantially all risks and rewards of ownership.

Loan and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus directly attributable transaction costs and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence that the Company will be unable to collect all of the amounts due under the terms of the receivable. The Company's loans and receivables comprise loans receivable, trade and other receivables and cash and cash equivalents.

Financial liabilities

All liabilities are classified as other financial liabilities and are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash comprises fixed deposits, cash balances and call deposits with banks. Cash equivalents are short-term highly-liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Ordinary shares

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability

The Ordinary Shares of the Company are treated as equity as it entitles the shareholder to a pro rata share of the Company's net assets in the event of the Company's liquidation.

g) Provisions

A provision is recognised if, as a result of a past event, the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to that liability.

h) Revenue and expenses

Revenue is recognised to the extent that it is possible that economic benefits will flow to the Company and the revenue can be reliably measured. Expenses are accounted for on an accruals basis.

i) Finance income and expenses

Finance income comprises interest income on funds invested (including debt securities at fair value through profit or loss), interest income and loan interest income. Interest income and loan interest income are recognised as they accrue in the statement of comprehensive income, using the effective interest rate method. Dividend income is recognised in the statement of comprehensive income on the date the Company's right to receive payments is established which is usually the ex-dividend date.

Finance expenses comprise interest expense on borrowings and unwinding of discounts on provisions.

Foreign currency gains and losses are reported in the statement of comprehensive income on a net basis.

j) Earnings per share ("EPS") and net asset value ("NAV") per share

The Company presents basic EPS and NAV data for its ordinary shares. Basic EPS is calculated by dividing the comprehensive income attributable to equity shareholders from operations by the weighted average number of ordinary shares in issue during the year. (For further details see note 6). NAV per equity share is calculated by dividing net assets attributable to equity shareholders by the number of equity shares outstanding at the year end.

k) Transaction costs

Expenses incurred by the Company that are directly attributable to the offering of new shares have been taken to statement of changes in net assets attributable to equity shareholders.

l) Taxation

Profits arising in the Company are subject to Jersey Income Tax, currently at the rate of 0%.

The Company was registered under the Reporting Fund regime Regulation 51 of The Offshore Fund (Tax) Regulations 2009 in the United Kingdom effective 1st July 2009.

m) Dividends payable

Dividends payable to ordinary shareholders are accounted for when a legal obligation arises.

Dividends payable, if any, on ordinary shares are recognised in the statement of changes in net assets attributable to equity shareholders.

n) Offsetting

Financial assets and liabilities are offset and the net amount is reported within assets and liabilities where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

2. ACCOUNTING POLICIES – (CONTINUED)

o) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values for the financial assets and liabilities. Fair value is the amount for which an asset or liability could be exchanged or settled between knowledgeable, willing parties in an arms length transaction. Fair values have been determined for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets for which quoted closing prices are available from a third party in a liquid market are valued on the basis of quoted bid prices. Where there are no available quoted prices the fair values will be determined in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCV") as amended from time to time.

As at the balance sheet date, the fair values of quoted equities are based on quoted bid prices at the year end. Unquoted equities and unquoted securities are valued using a variety of methods as follows:

– Rapid Action Packaging Limited Ordinary Shares have been valued based on a multiple of sales in line with market multiples. This metric has been discounted to reflect the Company's non-listed status.

– Hydrodec Group plc Convertible Bonds are valued using the Black Scholes option valuation method which is carried out by an independent broker.

– STX Services B.V. shares have been valued based on a multiple of profit after tax for the year, within IPEVCV guidelines.

– Emergya Wind Technologies B.V. Preference Shares have been valued at the latest transaction price per share as per IPEVCV guidelines.

– New Earth Solutions Ordinary Shares and Convertible Loan Notes are valued at the price of the last market transaction.

– Terra Nova SAS shares are valued on a market based multiple of Earnings before Interest, Tax and Depreciation. This metric has been discounted to reflect the company's non-listed status.

Investments are made in companies that may be subject to a high degree of operating and financial risk. The values assigned to investments are based upon available information and do not necessarily represent amounts that might ultimately be realised. Because of the inherent uncertainty of valuations, estimated carrying values may differ significantly from the values that would have been realised had a ready market for the investments existed, and these differences could be material.

The fair value of financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

The fair value of derivatives at fair value through profit or loss is derived using the Black Scholes Option Pricing Model.

p) Non-consolidation

The Directors do not believe that the Company had the power to exercise control over the investments as set out in the provisions of paragraph 12 of International Accounting Standard 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries), or under the Standard Interpretations Committee pronouncement Number 12 (SIC 12 – Consolidation: Special Purpose Entities). The Directors have arrived at this opinion because the Company in any of its investments:

– does not hold a controlling stake;

– does not have the power to govern the financial and operating policies;

– does not have the power to remove the majority of the members of the Board of Directors; and

– does not have the power to cast the majority of votes at meetings of the Board of Directors.

q) Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

As the Company operates as a venture capital organisation it uses the scope exemption of IAS 28 'Investment in Associates' and designates upon initial recognition some investments that would otherwise be equity accounted as investments at fair value through profit or loss with subsequent changes in fair value recognised in the statement of comprehensive income in the period of the change.

r) Segmental reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Directors perform regular reviews of the operating results of the Company and make decisions using financial information at the entity level only. Accordingly, the Directors believe that the Company has only one reportable operating segment.

The Directors are responsible for ensuring that the Company carries out business activities in line with the transaction documents. They may delegate some or all of the day to day management of the business, including the decisions to purchase and sell securities, to other parties both internal and external to the Company. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Directors. Therefore, the Directors retain full responsibility as to the major allocation decisions of the Company.

3. PERFORMANCE FEES RETAINED AND PAYABLE

		2011		2010
Performance fees payable	£	nil	£	nil

Performance fees are payable to the Adviser with reference to the increase in adjusted net asset value per share over the course of each performance period. The Adviser becomes entitled to receive a performance fee if the following conditions are met:

a) The adjusted net asset value per share at the end of the performance period exceeds the Performance Hurdle. The Performance Hurdle is an amount equal to the placing price increased at a rate of 8% per annum on a compounded basis up to the end of the relevant performance period; and

b) The adjusted net asset value per share at the end of the performance period exceeds the High Watermark. The High Watermark is the highest previously recorded adjusted net asset value per share at the end of a performance period for which a performance fee was last earned.

If the above conditions are met the Adviser is entitled to receive a fee equal to 20% of the amount by which the adjusted net asset value exceeds the higher of (i) the performance hurdle and (ii) the relevant High Watermark multiplied by the time-weighted average number of shares in issue since the end of the last performance period for which a performance fee was earned.

The conditions for payment of performance fees were not met for the performance years which ended on 30th June 2011 and 30th June 2010.

20% of performance fees earned by the Adviser shall be retained and deposited in a Reserve Account (see note 9). The Reserve Amount shall only be released on the final calculation date when the Administrator will calculate the Reserve Release Amount in accordance with Schedule 1 of the Advisory Agreement.

Notes to the Financial Statements

4. DIRECTORS' REMUNERATION AND INTERESTS

	2011	2010
Directors' fees	154,094	91,000
Directors' expenses	7,594	11,968
	£161,688	£102,968

The details of the Directors' remuneration is as follows:

J. Shakeshaft (Chairman)	58,297	40,000
S. Hansen	24,319	17,000
M. Christensen	24,319	17,000
D. Maccabe	1,417	17,000
D. Adamson	22,871	-
D. Pirouet	22,871	-
H. Grant	-	-
	£154,094	£91,000

On 2nd August 2010, the shareholders approved an increase in the aggregate Director's remuneration from £100,000 to £160,000 per annum.

As at the Balance Sheet Date, the following Ordinary Shares and Warrants of the Company were held by the Directors, the Directors of the Adviser, the Investment Adviser and the Principals of the Investment Adviser.

	Ordinary Shares	Warrants	Manager Warrants
30TH JUNE 2011			
J. Shakeshaft	115,445	12,500	-
M. Christensen	10,000	2,500	-
D. Adamson	50,000	10,000	25,000
N. Pople	50,000	12,500	95,000
N. Curtis	15,000	-	-
Ludgate Investments Limited	-	-	664,000
30TH JUNE 2010			
J. Shakeshaft	115,445	12,500	-
M. Christensen	10,000	2,500	-
D. Adamson	50,000	10,000	25,000
N. Meir (including S. Meir's holdings)	150,500	37,500	95,000
N. Pople	50,000	12,500	95,000
Ludgate Investments Limited	-	-	664,000

Effective 30th May 2011, N. Meir is no longer a Director and employee of the Adviser. Up to that date, he held 150,500 Ordinary Shares, 37,500 Warrants and 95,000 Manager Warrants.

5. DIVIDENDS

The Directors recommended and paid a dividend during the year (relating to the year ended 30th June 2010) of 1.65 pence per share in issue as at 30th June 2010.

The Directors recommended an interim dividend subsequent to the year of 1.75 pence per share in issue as at 29th July 2011.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following information:

	2011 £	2010 £
Total comprehensive income	4,459,594	(4,380,680)
	Number	Number
Weighted average number of equity shares for the purposes of basic earnings per share	55,244,548	45,996,419
Basic and diluted income/(loss) per equity share	£ 0.08	£(0.10)

Outstanding Warrants are anti-dilutive for both years presented as the exercise price of the Warrants exceeded the average market price of Ordinary Shares issued.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As noted above the Company has designated its investment holdings in cleantech companies at fair value through profit or loss. Financial assets are initially recognised on the Company's balance sheet at fair value when the Company becomes party to the contractual provisions of a given instrument and changes thereafter are recognised in the statement of comprehensive income.

Investments:	2011 £	2010 £
Opening cost of investments	31,619,268	20,445,152
Cost of Loan Notes converted into Preference/Ordinary Shares	(4,500,000)	(210,570)
Purchases/(disposals) during the year:		
New investments acquired	6,694,632	11,341,197
Conversions	4,500,000	210,570
Investments sold	(9,853,261)	(167,081)
Closing cost of investments	**£28,460,639**	**£31,619,268**

	2011 £	2010 £
Opening fair value of investments	26,719,866	20,646,179
Cost of Loan Notes converted into Preference/Ordinary Shares	(4,500,000)	(210,570)
Purchases/(disposals) during the year:		
New investments acquired	6,694,632	11,341,197
Conversions	4,500,000	210,570
Proceeds on disposal	(13,772,337)	(189,650)
Fair value movement	4,528,233	(5,077,860)
Closing fair value of investments	**£24,170,394**	**£26,719,866**

Notes to the Financial Statements

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – (CONTINUED)

Further details of the investments held can be found in note 22 to these financial statements.

IFRS 7 requires the Company to classify fair value measurements using a three level fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 30th June 2011 and 2010.

30th June 2011	Level 1	Level 2	Level 3	Level 4
	£	£	£	£
Financial assets at fair value through profit or loss	2,525,070	3,123,420	18,521,904	24,170,394
Derivatives at fair value through profit or loss	-	-	208,362	208,362
30th June 2010				
Financial assets at fair value through profit or loss	2,829,321	3,302,820	20,587,725	26,719,866
Derivatives at fair value through profit or loss	-	1,129	681,608	682,737

Financial assets whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include mainly actively listed equities. The Company does not adjust the quoted market price for these.

Financial assets that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 includes mainly convertible bonds. As Level 2 bonds are not traded in an active market, valuations are based on an option valuation method which was carried out by an independent broker.

Financial assets classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 includes equities and convertible loan notes. As the observable prices are not available for these equities and convertible loan notes, the Company has used valuation methods as described in note 2 (o).

The movement in Level 3 financial assets for the years ended 30th June 2011 and 2010 by class of financial assets were as follows:

30th June 2011	Derivatives	Unquoted equities	Unquoted securities	Total
Opening balance	681,608	16,087,725	4,500,000	21,269,333
Total (losses)/gains (realised/unrealised) included in the statement of comprehensive income	(473,246)	5,059,077	-	4,585,831
Purchases, sales, issuances, and settlements (net)	-	(4,920,231)	(2,204,667)	(7,124,898)
Closing balance	**£208,362**	**£16,226,571**	**£2,295,333**	**£18,730,266**
30th June 2010				
Opening balance	191,607	10,870,935	2,500,000	13,562,542
Total gains/(losses) (realised/unrealised) included in the statement of comprehensive income	490,001	(2,981,742)	-	(2,491,741)
Purchases, sales, issuances, and settlements (net)	-	8,198,532	2,000,000	10,198,532
Closing balance	**£681,608**	**£16,087,725**	**£4,500,000**	**£21,269,333**

For unquoted equities, if the multiple used or the recent market transaction price used in the valuation had increased by 5%, this would have resulted in an increase in value of £811,329 (2010: £123,135). A decrease of 5% would have resulted in a decrease in value of £811,329 (2010: £123,135).

Evidence or confirmation of title of financial assets at fair value through profit or loss are held by the following parties:

	2011	2010
Walker Crips Stockbrokers Limited	1,953,427	5,535,465
State Street (Jersey) Limited	21,680,324	20,746,870
Computer Share (Australia)	536,643	437,531
	£24,170,394	**£26,719,866**

Notes to the Financial Statements

8. DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011	2010
Rapid Action Packaging Limited – 2,250 warrants (2010: 2,010)	208,362	211,440
Agri. Capital	-	470,168
Phoslock Water Solutions Limited	-	1,129
	£208,362	**£682,737**

As noted above, the warrants have been valued using the Black Scholes Option Pricing Model.

9. CASH AND CASH EQUIVALENTS

	2011	2010
Royal Bank of Scotland International – current account GBP	215,805	65,752
Royal Bank of Scotland International – current account EUR	167,749	186,437
Royal Bank of Scotland International – current account AUD	1	269
Royal Bank of Scotland International – escrow account GBP	-	6
Royal Bank of Scotland International – escrow account EUR	-	2
Royal Bank of Scotland International – reserve account	186,977	-
Barclays – reserve account	-	185,698
Walker Crips Stockbrokers Limited	2,980	184,278
Cash held on fixed term deposit:		
Fixed term deposits held with Bank of Scotland	-	2,500,000
Fixed term deposits held with Barclays (GBP)	6,379,203	4,307,627
Fixed term deposits held with Barclays (EUR)	1,783,951	683,414
Fixed term deposits held with ABN AMRO (GBP)	7,502,928	1,500,369
Fixed term deposits held with ABN AMRO (EUR)	4,515,488	1,823,778
Fixed term deposits held with Lloyds (GBP)	6,030,118	-
Fixed term deposits held with Lloyds (EUR)	4,515,488	-
Fixed term deposits held with Royal Bank of Scotland International	2,500,828	5,234,703
	£33,801,516	**£16,672,333**

The Company has permission to borrow sums equivalent to 25% of the net asset value in accordance with its Articles of Association. At the Balance Sheet date, no such facility had been entered into (2010: £nil). The Board of the Company have taken care to minimise the credit risk associated with cash and cash equivalents. The cash held in fixed term deposits has been diversified across a number of reputable financial institutions.

The cash held on the Reserve Account represents 20% of the performance fees earned by the Adviser to date. The balance on this account can only be released on the final calculation date when the Administrator will calculate the Reserve Release Amount in accordance with Schedule 1 of the Advisory Agreement.

Cash and cash equivalents are held by the following banks and brokers:

Bank/Broker

	2011	2010
Walker Crips Stockbrokers Limited	2,980	184,278
Royal Bank of Scotland International	3,071,360	5,487,169
Barclays	8,163,154	5,176,739
Lloyds	10,545,606	-
ABN AMRO	12,018,416	3,324,147
Bank of Scotland	-	2,500,000
	£33,801,516	**£16,672,333**

10. LOANS RECEIVABLE

	2011	2010
Rapid Action Packaging Limited	254,388	1,200,000
Lumicity Ltd	298,000	-
Ignis Wick Limited	193,000	-
	£745,388	**£1,200,000**

The Company entered into a £1,000,000 Loan Facility Agreement dated 30th June 2009 with Rapid Action Packaging Limited ("RAP") which was increased to £1,500,000 in 2010. The loan was unsecured, bore interest at 10% gross (8% net) per annum, payable semi-annually in arrears commencing 31st December 2009 and was repaid on the Final Repayment Date of 20th June 2011. A commitment fee and arrangement fee was paid to the Company on the date of entering into the Loan Facility and was satisfied by the receipt of warrants issued by RAP, allowing the Company to purchase 500 shares and 200 shares, respectively, at an exercise price of £373.81 per share. These warrants have a five year life.

A further commitment and arrangement fee was paid to the Company on the date the extension of £0.5million to the Loan Facility was agreed, satisfied by the receipt of warrants issued by RAP, allowing the Company to purchase 250 shares and 100 shares, respectively, at an exercise price of £373.81 per share. A drawdown fee is also payable to the Company and is satisfied by the receipt of five year warrants issued by RAP allowing the Company to purchase 1 share in RAP in respect of each £1,250 drawdown at an exercise price of £373.81 per share.

The RAP Loan Facility was repaid in full on 13th June 2011 and the proceeds were used to acquire additional shares or Convertible Unsecured Loan Stock in RAP. On the same date, the Company provided a £254,388 unsecured and interest free loan note to RAP.

During the year, the Company entered into a loan agreement with Ignis Wick Limited to fund the development costs of the Wick project. The loan is unsecured and bears interest at 8% p.a. As of 30th June 2011, £193,000 (2010: £nil) has been drawn.

On 28th September 2010, the Company entered into an Investment Agreement with Lumicity Limited whereby the Company advanced an unsecured and interest free loan of £298,000 which could be converted into shares at a later date.

Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

	2011	2010
Fixed deposit interest receivable	60,550	16,830
Investment income receivable (net of provision)	165,497	237,554
Prepayments and other receivables	10,251	6,824
	£236,298	**£261,208**

Investment income receivable is net of a provision for Emergya Wind Technologies B.V. of £nil (2010: £357,988).

12. TRADE AND OTHER PAYABLES

	2011	2010
Directors' fees and expenses payable	35,371	8,500
Professional fees payable	22,414	1,873
Audit fees payable	14,800	15,000
Administration and accounts payable	20,000	18,820
Other creditors	38,045	-
	£130,630	**£44,193**

All expenses are payable on presentation of an invoice.

13. PERFORMANCE FEE RETENTION

	2011	2010
Retention of performance fees	**£187,384**	**£186,164**

For further details please refer to note 3. The above figures include accrued interest as at 30th June.

14. STATED CAPITAL ACCOUNT

	2011	2010
AUTHORISED:		
Ordinary Shares of no par value each	Unlimited	Unlimited

The authorised stated capital of the Company comprises an unlimited number of voting, Ordinary Shares which are neither redeemable nor convertible and which have no par value.

	No. of ordinary shares	No. of investor warrants	No. of manager warrants
Opening balance at 1st July 2010	45,966,419	6,683,775	1,285,250
Issued during the year	10,293,365	-	-
Balance at 30th June 2011	56,259,784	6,683,775	1,285,250
Opening balance at 1st July 2009	45,966,419	6,683,775	1,285,250
Balance at 30th June 2010	45,966,419	6,683,775	1,285,250

Two Ordinary Shares of £1.00 each were issued on incorporation. The initial public offering ("IPO") of Ordinary Shares on 2nd August 2007 was priced at £1.00 per share. Subscribers for the Ordinary Shares received one investor warrant for every four Ordinary Shares subscribed. Each investor warrant entitles the holder to subscribe for additional Ordinary Shares in the Company at a subscription price of £1.50 until the final subscription date of 31st October 2012.

A second placing of shares occurred on 22nd February 2008. 2,673,509 Ordinary Shares of no par value were issued at a price of £1.12 per share. On 10th November 2008 a further issue of 16,557,807 Ordinary Shares were placed at a price of £1.09 per share. On 5th August 2010 a further issue of 10,293,365 Ordinary Shares were placed at a price of £0.97 per share. No warrants were attached to these shares issued subsequent to the IPO. The Ordinary Shares and investor warrants are listed and traded on AIM.

The Ordinary Shares carry the right to vote at general meetings, dividends and the surplus assets of the Company on winding-up. All holders of the Ordinary Shares have the same voting rights.

Notes to the Financial Statements

14. STATED CAPITAL ACCOUNT – (CONTINUED)

	2011 Stated capital £	2010 Stated capital £
Opening balance	47,729,427	47,729,427
Issued during the year	10,000,009	-
Placement fees	(163,000)	-
Closing balance	£57,566,436	£47,729,427

WARRANTS:		2011	2010
Investor Warrants:			
Issue of warrants at IPO			
(1:4 exercisable for ordinary shares)	Number	6,683,775	6,683,775
Exercise price		£1.50	£1.50
Management Warrants:			
Issue of Manager Warrants at IPO	Number	1,285,250	1,285,250
Exercise price		£1.75	£1.75

The Investor Warrants entitle the holder to subscribe for one ordinary share in the Company at a price of £1.50 up to the Final Subscription Date of 31st October 2012. Investors who subscribed for Shares pursuant to the placing received one Investor Warrant for every four shares acquired.

The Manager Warrants were issued in registered form and entitle the holder to subscribe for one share at a price of £1.75 until the Final Subscription Date of 31st October 2012.

The subscription right of all warrants may only be exercisable during the 28 days following the date of publication of the Company's annual Audited Financial Statements for any of the financial periods/years ended 30th June 2008 to 2011 inclusive and/or during the 28 days prior to the Final Subscription Date of 31st October 2012.

15. SEGMENT INFORMATION

Geographical information

The Company's country of domicile is Jersey, Channel Islands. All of the Company's revenues are generated from outside the Company's country of domicile.

Non-current assets

The Company has no non-current assets other than financial instruments.

Major investment company

For management purposes, the Company is organised into one main operating segment, which invests in quoted and unquoted equity and unquoted debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

16. FINANCIAL RISK MANAGEMENT

The Board of Directors is responsible for the establishment and oversight of the Company's risk management framework. Policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. These are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company maintains positions in a variety of financial instruments dictated by its investment management strategy. The Company's investment portfolio comprises quoted and unquoted equity investments, unquoted debt securities and cash which the Company intends to hold for an indefinite period (subject to the life of the Company). Asset allocation is determined by the Board who manages the distribution of the assets to achieve the investment objectives.

The Directors are aware that substantially all of the business of the Adviser is accounted for in the services provided to the Company under the Advisory Agreement. A significant proportion of the business of the Adviser is accounted for in the services provided to the Company under the Advisory Agreement and other, principally corporate finance, services provided from time to time to the Company. In reviewing the performance of the Adviser, the Directors have paid particular attention to the risks to the Company of the reputation, financial standing, compliance and operation of each. They are satisfied that there are sufficient controls in place to ensure that officers of the Adviser cannot exercise undue influence over financial reporting and that it is a going concern.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income and or the value of its holdings in financial instruments. The Adviser is responsible for monitoring, measuring and reporting market risk.

The Company's exposure to market risk comes mainly from movements in the value of its investments.

The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's investment objective is to deliver to investors a significant level of capital growth in the medium to long term by building a diverse portfolio of investments in cleantech companies. The Company's market risk is managed by the Adviser in accordance with the policies and procedures in place.

The Company seeks to achieve its investment objective and minimise investment risk through the identification of appropriate technologies and companies within the cleantech sector using a rigorous review and selection process; by adding value to companies in the portfolio through active support at all stages of their growth and by focusing on maximising returns for shareholders by assisting companies in achieving an appropriate and timely exit.

Potential investments are screened to ensure that investments comply with the investment criteria, as described in the Admission Document and described in the Investment Policy. A full review and due diligence are undertaken before a potential investment can be submitted for approval by the Screening Committee, Investment Committee and the Adviser.

Monitoring of the portfolio is carried out on a quarterly basis by the Adviser who reviews the investments against technology developments, commercial progress, financial and trading results including management accounts, management assessment, market intelligence and anticipated planning and exit. Investment risk is also reviewed at the time of any investment proposal, the publication of the net asset values and any capital raising.

The Company's overall market positions are reviewed quarterly by the Board of Directors. Details of the Company's investment portfolio composition as at the balance sheet date are disclosed in note 22 to these financial statements.

Interest Rate Risk

To the extent the Company incurs indebtedness, changes in interest rates can affect the Company's net interest income, which is the difference between the interest income earned on interest-bearing assets and the interest expense incurred on interest-bearing liabilities. Changes in the level of interest rates can also affect, among other things, the Company's ability to acquire loans and investments, the value of its investments and the Company's ability to realise gains from the settlement of such assets. Interest rate risk is mitigated by a policy of holding diversified instruments with varied counterparties.

The majority of the Company's financial assets are fixed rate or non-interest bearing and all of the Company's financial liabilities are non-interest bearing. Therefore, the Directors believe that the Company's exposure to interest rate risk is minimal. Any excess cash and cash equivalents are invested in fixed term deposits with maturities of 12 months or less. Investments in debt securities are in fixed rate instruments and therefore the Company has limited exposure to prevailing interest rates. Any adverse movement in interest rates would negatively affect the return on cash deposits over time. The amount of cash held on fixed term deposits is expected to reduce over the forthcoming years in accordance with the Company's stated investment objectives.

Notes to the Financial Statements

16. FINANCIAL RISK MANAGEMENT – (CONTINUED)

The Company's overall interest rate risk is reviewed by the Board on at least a quarterly basis.

30TH JUNE 2011 INTEREST RATE PROFILE	Interest charging basis	Effective interest rate	Amount
Financial assets:			
Cash and cash equivalents	Fixed	0.61%	33,801,516
Financial assets at fair value though profit or loss:			
Unquoted securities	Fixed	8.00%	3,123,420
Unquoted securities	Fixed	12.00%	2,295,333
Quoted equities	Non-interest bearing	n/a	2,525,070
Unquoted equities	Non-interest bearing	n/a	16,075,423
Unquoted equities	Fixed	8.16%	151,148
Derivatives at fair value through profit or loss	Non-interest bearing	n/a	208,362
Loan receivable	Fixed	8.00%	193,000
Loan receivable	Non-interest bearing	n/a	552,388
Trade and other receivables	Non-interest bearing	n/a	236,298
			£ 59,161,958
Financial liabilities:			
Trade and other payables	Non-interest bearing	n/a	130,630
Retention of performance fees	Floating	0.66%	187,384
			£ 318,014

30TH JUNE 2010 INTEREST RATE PROFILE	Interest charging basis	Effective interest rate	Amount
Financial assets:			
Cash and cash equivalents	Fixed	1.81%	16,672,333
Financial assets at fair value though profit or loss:			
Unquoted securities	Fixed	8.00%	7,802,820
Quoted equities	Non-interest bearing	n/a	2,829,321
Unquoted equities	Non-interest bearing	n/a	9,238,127
Unquoted equities	Fixed	8.00%	2,768,700
Unquoted equities	Fixed	10.00%	3,702,473
Unquoted equities	Fixed	8.16%	378,425
Derivatives at fair value through profit or loss	Non-interest bearing	n/a	682,737
Loan receivable	Fixed	8.00%	1,200,000
Trade and other receivables	Non-interest bearing	n/a	261,208
			£45,536,144
Financial liabilities:			
Trade and other payables	Non-interest bearing	n/a	44,193
Retention of performance fees	Floating	0.70%	186,164
			£ 230,357

Interest rate sensitivity

IFRS 7 Financial Instruments: Disclosures ("IFRS 7") requires a sensitivity analysis for each type of risk to which the entity is exposed at the balance sheet date, showing how the profit or loss and equity would have been affected by changes in the relevant risk variable that are reasonably possible.

As disclosed above, the majority of the Company's financial assets and financial liabilities are non-interest bearing or fixed rate. During the year, the Company's interest income from fixed deposit was £205,354 (2010: £302,209) of which £60,550 (2010: £16,830) is outstanding at the end of the year. Had interest rates been 50 basis points higher throughout the year the Company would have increase in profit by £169,008, with a corresponding decrease had interest rates been 50 basis points lower (2010: decrease in loss of £83,362).

Currency Risk

The Company may invest in financial instruments and enter into transactions that are denominated in currencies other than its functional currency, sterling. Consequently the Company is exposed to risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets and liabilities denominated in currencies other than sterling.

The Company's policy is to accept a limited amount of currency risk within the portfolio. It does not hedge either the fair value of its foreign currency investments nor the cashflows, if any, arising from such investments. Any gain or loss, recognised as a result of the Company's investment and valuation policies is recognised in the statement of comprehensive income. When the Company has entered into a definitive contract to purchase or sell securities denominated in foreign currency it purchases forward contracts; any ineffectiveness in this hedging would also be recognised in the statement of comprehensive income. The Company's overall currency risk and exposure is monitored on a quarterly basis by the Board of Directors. The Directors intend to keep this policy under quarterly review as the portfolio becomes more invested. The Directors further consider that investment in currencies is a separate asset class and not as such part of the normal trading business of the Company.

As at the balance sheet date the Company had the following currency risk exposure:

	2011	2010
Financial assets at fair value through profit or loss		
Unquoted equities denominated in Euro	5,531,554	11,143,445
Quoted equities denominated in AUD	571,220	471,179
	£6,102,774	£11,614,624
Cash and cash equivalents		
Cash and cash equivalents denominated in EUR	10,982,676	2,693,631
Cash and cash equivalents denominated in AUD	1	269
	£ 10,982,677	£ 2,693,900
Trade receivables:		
Trade receivables denominated in Euro	-	£ 11,216
Trade and other payables:		
Trade payables denominated in Euro	521	-
Trade payables denominated in USD	37,411	-
	£37,932	£–

Notes to the Financial Statements

16. FINANCIAL RISK MANAGEMENT – (CONTINUED)

Currency sensitivity

As at 30th June 2011 if GBP had strengthened against the Euro by 5%, with all other variables held constant, the profit for the year as per the statement of comprehensive income would have decreased and the net assets of the Company would have decreased by £786,367 (2010: increase in loss and decrease in net assets of £659,441). A 5% weakening of GBP against the Euro would have resulted in a increase in the profit for the year as per the statement of comprehensive income and an increase in net assets of the Company of £869,143 (2010: decrease in loss and increase in net assets of £728,859), with all other variables held constant.

As at 30th June 2011 if GBP had strengthened against the AUD by 5%, with all other variables held constant, the profit for the year as per the statement of comprehensive income would have decreased and the net assets of the Company would have decreased by £27,201 (2010: increase in loss and decrease in net assets of £22,450). A 5% weakening of GBP against the AUD would have resulted in a decrease in the profit for the year as per the statement of comprehensive income and an increase in the net assets of the Company of £30,064 (2010: decrease in loss and increase in net assets of £24,813), with all other variables held constant.

As at 30th June 2011 if GBP had strengthened against the USD by 5%, with all other variables held constant, the profit for the year as per the statement of comprehensive income would have increased and the net assets of the Company would have increased by £1,781 (2010: £nil). A 5% weakening of GBP against the USD would have resulted in a decrease in the profit for the year as per the statement of comprehensive income and an decrease in the net assets of the Company of £1,969 (2010: £nil), with all other variables held constant.

The movement in foreign exchange, excluding foreign exchange movements on financial assets at fair value through profit or loss which are reflected in the statement of comprehensive income as part of losses or gains on financial assets at fair value through profit or loss, for the year ended 30th June 2011 was a gain of £546,939 (2010: loss of £166,997). This movement has been largely caused by the variance in the EUR:GBP exchange rate during the year on deposits held in Euro. The EUR:GBP exchange rate moved from 1.2214 as at 1st July 2010 to 1.1073 as at 30th June 2011.

Other price risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising due to currency risk or interest rate risk) whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are held at fair value with changes in fair value being recognised in the statement of comprehensive income, all changes in market conditions will directly affect the profit for the period and the Company's net assets. Price risk is monitored and reviewed by the Directors on a quarterly basis, at any valuation event and at each investment committee meeting, whichever is the more frequent.

Risk is mitigated in a thematic portfolio diversified by securities, assets, geography and industrial sector. No single investment can account for more than 15% of ungeared NAV at the time of investment. No single investment held for short term trading can be more than £750,000. The following table breaks down the investment assets held by the Company:

	2011 percentage of net assets	2010 percentage of net assets
Financial assets at fair value through profit or loss		
Equity investments:		
Quoted	4.29%	6.24%
Unquoted	27.58%	35.51%
Debt investments:		
Unquoted	9.21%	17.22%

Market price risk sensitivity

8.08% of the Company's investment assets are listed on European stock exchanges (2010: 8.83%). 2.36% of the Company's investments are listed on the Australian stock exchange (2010: 1.76%). A 10% increase in stock prices as at 30th June 2011 would have increased the profit for the year and would have increased the net assets of the Company by £252,507 (2010: decreased the loss and increased in the net asset of £282,932). An equal change in the opposite direction would increase the loss and decrease the net assets of the Company by an equal but opposite amount.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amount of financial assets best represents the maximum exposure at the balance sheet date. At the reporting date the Company's financial assets exposed to credit risk amounted to the following:

	2011	2010
Preference share holdings	3,163,179	9,580,251
Unquoted securities	5,418,753	7,802,820
Loan receivable	745,388	1,200,000
Trade and other receivables	236,298	261,208
Cash and cash equivalents	33,801,516	16,672,333
Total financial assets exposed to credit risk	**£43,365,134**	**£35,516,612**

The Company and its Adviser seek to mitigate credit risk by actively monitoring the underlying credit quality of the Company's investment holdings. As noted above, monitoring of the portfolio is carried out on a quarterly basis by the Adviser who will review the investments against milestones of technology developments, commercial progress, financial and trading results including management accounts, management assessment, market intelligence and anticipated planning and exit. Any indications of credit risk will be reported to the Board who will also review the portfolio and the related credit risk at least on a quarterly basis. The Company holds no hedges or insurance against counterparty risk. The Directors believe that the purchase of credit insurance would expose the Company to an unapproved asset class of derivatives.

The Company holds fixed term deposits of varying maturities with a number of banks each with a minimum long term credit rating from Standard and Poors, Moody's, or Fitch of AA- through a pooled account. This service is entitled "Cash2". All transactions are in the name of State Street (Jersey) Limited Client Nominee, operated by State Street (Jersey) Limited. The Company is the beneficial owner of these deposits. There is no additional payment, liquidity, or settlement risk associated with the pooling.

The Company analyses the credit concentration based on the counterparty, industry and geographical location of the financial assets that the Company holds. The Company's financial assets exposed to credit risk were concentrated in the following industries:

	2011	2010
Cleantech industries	22.05%	53.06%
Banks/financial services	77.95%	46.94%

Notes to the Financial Statements

16. FINANCIAL RISK MANAGEMENT – (CONTINUED)

All of the Company's financial assets exposed to credit risk which were held at the balance sheet date are European.

Concentration Risk

The Company may be exposed at any given time to a degree of concentration risk. To the extent that the Company's investments are concentrated in any one sub-sector of the cleantech sector, country or asset class downturns affecting the source of concentration may result in total or partial loss on such investments, which will reduce the Company's net asset value. The Directors consider the sector a diversified asset class and that effective hedging could be achieved by replication in purchasing differentiated securities but that the cost of these transactions would negate the value of the protection. The Company's investments are concentrated as follows:

	2011	2010
Investment in cleantech industries	100.00%	100.00%
Geographical area – Holland	10.42%	7.27%
Geographical area – Germany	-	24.22%
Geographical area – France	12.46%	10.22%
Geographical area – UK	74.75%	56.53%
Geographical area – Australia	2.36%	1.76%

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company may face liquidity risks. Most of the investments in which the Company invests are relatively illiquid i.e. private companies which require a long-term capital commitment. A substantial amount of the Company's funds are concentrated in a limited number of investments subject to legal and other restrictions on resale, transfer, pledge or other disposition or that are less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or the Investment Adviser determines that such a sale would be in the Company's interests.

The Directors monitor liquidity risk at least quarterly and perform going concern tests before the semi-annual publication of the financial statements. As an operating practice the Company is expected to hold at least sufficient working capital for a year's continuous operation on a rolling basis. The Company also holds sums equivalent to three months' forward operating expenses in call accounts. The Directors review this policy regularly. The Company also has permission to borrow sums equivalent to 25% of NAV in accordance with the terms of its Articles of Association.

Maturity profile

The tables below show the maturity of the current borrowings under the facilities, rather than the maturity over the whole life of the facilities and the expected maturity of the securities, rather than the legal maturity date.

	2011		2010	
	Within one year £	One to five years £	Within one year £	One to five years £
Financial assets:				
Cash and cash equivalents	33,801,516	-	16,672,333	-
Financial assets at fair value through profit or loss	-	24,170,394	-	26,719,866
Derivatives at fair value through profit or loss	208,362	-	211,440	471,297
Loans receivable	745,388	-	1,200,000	-
Trade and other receivables	236,298	-	261,208	-
	34,991,564	24,170,394	18,344,981	27,191,163
Financial liabilities:				
Trade and other payables	130,630	-	44,193	-
Retention and performance fee	-	187,384	-	186,164
	130,630	187,384	44,193	186,164

Financial instruments by category

		Amounts recognised in balance sheet according to IAS 39		
CATEGORY IN ACCORDANCE WITH IAS 39	Carrying amount £	Amortised Cost £	Fair value recognised in profit or loss £	Fair value £
At 30th June 2011				
Loans and receivables	34,783,202	34,783,202	-	34,783,202
Fair value through profit or loss	24,378,756	-	24,378,756	24,378,756
Other liabilities	318,014	318,014	-	318,014
At 30th June 2010				
Loans and receivables	18,133,541	18,133,541	-	18,133,541
Fair value through profit or loss	27,402,603	-	27,402,603	27,402,603
Other liabilities	230,357	230,357	-	230,357

Notes to the Financial Statements

Disclosure of material income, expenses,gains and losses resulting from financial assets and financial liabilities:

	Loans and receivables £	Fair value through profit or loss £	Financial liabilities at amortised cost £
30th June 2011			
Gain on financial assets and derivatives			
at fair value through profit or loss	-	4,053,856	-
Interest income	205,354	908,986	-
Dividend income	-	284,482	-
Foreign exchange gain	546,939	-	-
	752,293	5,247,324	-
30th June 2010			
Loss on financial assets and derivatives at			
fair value through profit or loss	-	(4,589,458)	-
Interest income	302,670	1,261,701	-
Dividend income	-	476,539	-
Foreign exchange loss	(166,997)	-	-
Gain on disposal	-	107,441	-
	135,673	**(2,743,777)**	**-**

Capital Management

The Company is an investment company listed on AIM in London. Capital can only be increased either by the issue of new shares at net asset value or by borrowing up to the disclosed limit of 25% of NAV. Capital can only be reduced by the repurchase and cancellation of shares or the payment of special dividends both of which require shareholder resolution. The Company seeks to provide long term capital return in accordance with its stated investment policy from a diversified portfolio of securities of cleantech companies. The Company does not hold or intend to hold any derivatives other than those which may be embedded in or between the assets in the portfolio.

The Company will at all times maintain sufficient liquidity to cover at least twelve months' anticipated operating expenses. The Directors will also assure themselves that the NAV of the Company is sufficient for the cost effective management of the portfolio and the Company's objectives.

17.CASH GENERATED FROM OPERATIONS

	2011	2010
Total comprehensive income	4,459,594	(4,380,680)
Adjustments for:		
Gain on financial assets and derivatives at fair value through profit or loss	(4,053,856)	4,482,017
Movement on foreign exchange: cash and cash equivalents	(546,939)	166,997
Interest and dividends on investments	(1,193,468)	(1,738,240)
(Increase)/decrease in trade and other receivables	(47,149)	369,829
Increase in trade and other payables	86,437	17,346
Increase in retention of performance fees	1,220	2,311
CASH FLOW FROM OPERATIONS	£(1,294,161)	£(1,080,420)

NON-CASH MOVEMENTS	2011	2010
Purchase of investments:		
Conversions	4,500,000	210,570
	£ 4,500,000	£210,570

18. RELATED PARTY DISCLOSURE

Directors remuneration and expenses payable for the year ended 30th June 2011 are disclosed in note 4 and note 12.

H. Grant, who is an employee of a subsidiary of State Street Corporation, affiliates of which provide ongoing administration services to the Company at commercial rates, resigned from the Board on 3rd August 2010.

The terms and conditions of any transactions with key management personnel and their related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Under the Investment Advisory Agreement the Adviser is entitled to receive a management fee from the Company at a rate of 2% per annum of the Company's net asset value calculated for each three month period ending on 31st March, 30th June, 30th September and 31st December each year on the basis of the Company's net asset value at the end of the preceding period and payable quarterly in advance.

During the year the Adviser's fee was £1,104,454 (2010: £967,807). No accrued Adviser's fees were outstanding as at year end (2010: £ Nil). During the year the Adviser's expenses were £2,162 (2010: £1,408). No accrued adviser fees were outstanding as at year end (2010: £ Nil).

Placing fees of £163,000 (2010: £ Nil) was paid to the Corporate Finance Division of LIL by the Company during the year. Such fees are charged on normal commercial terms.

Under the terms of the Investment Adviser's Agreement the Adviser is also entitled to a performance fee which is payable in arrears in respect of each annual period ending 30th June. The first calculation period began on the admission date and ended on 30th June 2008. The performance fee is dependent on the Company's performance and amounted to £ Nil for the year ended 30th June 2011 (30th June 2010: £ Nil).

From time to time members of the LIL group may provide corporate financial services to the Company and investee companies. The Directors ensure that such services are pre-approved, provided on an arm’s length basis and market terms and that any possible conflicts of interest are disclosed.

In the year ended 30th June 2011, LIL provided services to certain portfolio companies. The total paid by portfolio companies for such services to LIL for the year ended 30th June 2011 was £408,634 (2010: £374,000). Out of this sum, LIL reimbursed the Company £149,449 from its placement fee in agri.capital.

Notes to the Financial Statements

19. IMMEDIATE HOLDING COMPANY AND ULTIMATE CONTROLLING PARTY

In the opinion of the Directors there is no single ultimate controlling party since the criteria contained within the definition of "control" in IAS 24 – Related Party Disclosures are not satisfied by any one party.

20. SUBSEQUENT EVENTS

The Directors recommended an interim dividend subsequent to the year of 1.75 pence per share in issue as at 29th July 2011.

Following the Company's successful realisation of its investment in agri.capital, the Board has determined to make up to £4 million available to purchase shares in the market pursuant to the existing shareholder authority. Shares will be purchased only when the Company is outside a close period and will only be purchased at prices such as to enhance value for the Company.

The Company has invested £5 million into preference shares at ECO Plastics Limited and £1 million into preference shares and convertible loan notes at Lumicity Limited.

21. SHAREHOLDERS' INTERESTS

As at the Balance Sheet Date, the registered holdings of the Company of at least 3% of the total share capital included:

AS AT 30TH JUNE 2011	Ordinary shares held	Percentage shareholding
Morstan Nominees Limited	8,019,271	14.25%
BNY Mellon Nominees Limited	7,568,308	13.45%
Flintshire County Council	5,791,288	10.29%
Harewood Nominees Limited	4,632,013	8.23%
HSBC Global Custody Nominee (UK) Limited (786698)	4,000,000	7.11%
Quintain Estates and Development PLC	4,000,000	7.11%
Chase Nominees Limited	3,809,939	6.77%
HSBC Global Custody Nominee (UK) Limited (771096)	3,669,094	6.52%
Ocean Capital Holdings II B.V.	1,839,757	3.27%

AS AT 30TH JUNE 2010	Ordinary shares held	Percentage shareholding
Morstan Nominees Limited	8,019,271	17.45%
The Bank of New York (Nominees) Limited (468641)	5,509,635	11.99%
HSBC Global Custody Nominee (UK) Limited (786698)	4,000,000	8.70%
Quintain Estates and Development PLC	4,000,000	8.70%
Chase Nominees Limited	3,777,439	8.22%
Flintshire County Council	3,732,615	8.12%
HSBC Global Custody Nominee (UK) Limited (771096)	2,639,757	5.74%
BNY (OCS) Nominees Limited	2,228,397	4.85%
Ocean Capital Holdings II B.V.	1,839,797	4.00%

22. INVESTMENTS

	2011 Cost £	2011 Fair value £	2010 Cost £	2010 Fair value £
Quoted equity securities:				
Hydrodec Group plc Ordinary Shares	3,498,417	970,237	3,498,417	1,108,842
Renewable Energy Generation Ordinary shares	720,241	433,613	720,241	474,300
Phoslock Water Solutions Limited Ordinary shares	443,713	571,220	396,518	471,179
Hightex Group plc Ordinary Shares	730,000	550,000	730,000	775,000
Total quoted equities:	£ 5,392,371	£ 2,525,070	£ 5,345,176	£ 2,829,321
Unquoted equities:				
STX Services B.V. Ordinary Shares	692,162	2,368,375	692,162	1,563,194
Rapid Action Packaging Limited Ordinary Shares	4,960,838	4,812,370	1,500,000	1,500,000
Emergya Wind Technologies B.V. Preference Shares	4,471,385	151,148	4,471,385	378,425
Agri Capital Preference Shares (Class E and F)	-	-	6,461,995	6,471,173
New Earth Solutions Ordinary Shares	4,959,968	5,882,647	2,959,968	3,444,280
Terra Nova SAS Preference Shares	2,688,582	3,012,031	2,688,582	2,730,653
Total unquoted equities:	£ 17,772,935	16,226,571	18,774,092	16,087,725
Unquoted securities:				
Hydrodec Group plc Convertible Bonds	3,000,000	3,123,420	3,000,000	3,302,820
Rapid Action Packaging Limited 12% (2010: 8%) Convertible Loan Notes	2,295,333	2,295,333	2,500,000	2,500,000
New Earth Solutions 8% Convertible Loan Notes	-	-	2,000,000	2,000,000
Total unquoted securities:	£ 5,295,333	5,418,753	7,500,000	7,802,820
Total investments:	£ 28,460,639	£ 24,170,394	£ 31,619,268	£ 26,719,866

Key Parties

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