Unaudited Interim Report and Financial Statements

LUDGATE
ENVIRONMENTAL FUND

For the period from 1st July 2011 to 31st December 2011

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LUDGATE
ENVIRONMENTAL FUND

Statement of Investment Policy

The Investment Policy of Ludgate Environmental Fund Limited (the "Company") is to provide capital growth and return through investment in a diverse portfolio of securities issued by cleantech companies over the expected life of the Company.

The cleantech sector includes companies whose businesses operate in the following areas:

- Energy efficient and alternative energy resources;
- Water treatment and management;
- Waste management and recycling (resource recovery);
- Industrial process advances; and
- Emission reduction technologies.

The Company invests in quoted and unquoted securities of companies at the development capital and expansion stages of growth. Earlier stage investments can also be made. The Company seeks to maximize returns and reduce risk through active engagement with the management of investee companies and the holding of substantial and influential minority interests in respect of unquoted investments.

The Company concentrates principally on companies based in Continental Europe and the UK.

No single investment at subscription has a value greater than 15% of the net assets of the Company. No individual holding is reduced or increased due to either relative growth or reductions of the Company's other investments; the Board remains conscious of the risk profile and expected returns from the portfolio.

The Company may borrow up to an amount equivalent to 25% of its net assets to finance investments or for any other purpose. The Board does not contemplate making any significant borrowing until and unless the portfolio is substantially invested in financial assets in the cleantech sector.

Seeking to provide significant total return to shareholders over the expected life of the Company to August 2015, the Directors may recommend that there should be a distribution of income received from investment securities by way of dividend as they have for the years ended 30th June 2011, 2010 and 2009 and the retention of realised capital gains within the portfolio for further investment. 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.

Chairman's Statement

I am pleased to report to shareholders on the performance of Ludgate Environmental Fund in the half year to 31st December 2011.

The net asset value decreased from £58,843,944 to £45,268,844. Dividends of 1.75p and 12p per share were paid to shareholders totalling £7,735,720 in August and October in line with the Company's policy of paying a progressive ordinary dividend and returning capital when this fulfils the stated investment targets for the entire portfolio.

Considering the history and remaining life of the Company, the board undertook a strategic review of all its investments, the sector focus, economic prospects as well as the expected and achieved performance of the investment adviser during the period. We consulted broadly with shareholders and professional advisers. Our recommendations were put to the AGM in November and the company's established and proven investment and distribution policy received significant endorsement.

The Company invested in ECO Plastics (£5,000,059), a PET recycling and recovery facility early in the half year; preliminary indications are their operational performance will meet expectations within our investment cycle. Similarly we exchanged our interests in the waste recycling company New Earth Solutions for shares in the holding company and are progressively realising the investment at a positive return. Our £1,298,000 investment in the solar energy developer Lumicity had to be written down to £702,500 along with the reduction in loan receivables; the unexpected severity and early timing of the regulatory reduction in feed in tariffs severely affected its business model and economic viability.

Within the existing portfolio STX continued to perform strongly, beyond budget and to expand its range of broker contracts. The board is mindful of the inherent risks in an unregulated brokerage business and continues to hold the asset at a conservative valuation. RAP has increased sales and its business continues to develop, expanding the number of customers for a greater range of packaging products; the combination of longer contract runs and the introduction of an additional machine should increase capacity fulfilment and improve margins significantly. If so, the model will be replicated and developed on other, identified sites. Terra Nova has won significant commercial contracts proving its technology, the potential value of its product and the expected returns from our investment. The difficulties of raising sufficient bank finance of adequate tenor, the slight slippage in roll out schedules and continuing capital requirements have caused us to lower the carrying value of the asset. To some extent this reflects the strictures of the accounting treatment under IFRS and our prudence in reporting net asset values at fair value rather than the modelled returns actually expected.

The Company continues to hold material levels of cash in a diversified number of accounts at different banks. In line with the investment policy and our target returns endorsed by shareholders and considering the remaining life of the company we expect that this will be fully invested in appropriate securities or our own shares within the authority given to us during the current period.

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") has been monitored by State Street (Jersey) Limited 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 would again like to thank my fellow board members for their robust and authoritative commitments to the company. Their involvement, advice and responsibility in considering the performance of the adviser, the valuation of assets, the prospects for the company and cleantech sector and the expectations of shareholders has been inestimable and to the benefit of all.

The performance of the Adviser, as measured by the rate of discovery, the active management of assets, timeliness of reporting and quality of communication, tested in the strategic review, has improved. There is material competition for assets in the European clean tech markets leading to over pricing and disappointment; the enduring contraction of banks' balance sheets severely reduces the opportunities for limited recourse project finance and equally impedes the development of new technologies. The adviser has led us successfully to an asset diversified specialism in the clean technologies of waste; their professional performance under a new team is commendable.

Our completed strategic review, investments made in the period and anticipated realisations and possible distributions continue to underscore the opportunities for investment in the European cleantech sector.

Report of the Directors

The Directors present their report and the unaudited financial statements for the period 1st July 2011 to 31st December 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 decrease in net assets attributable to shareholders from operations before dividends for the period amounted to £5,839,380 (for the six months ended 31st December 2010: net increase of £1,064,395).

The Directors recommended and the Company paid an interim dividend of 1.75 pence per share in issue as at 29th July 2011 (at a total cost of £984,546) (for the six months ended 31st December 2010: 1.65 pence per share in issue as at 30th June 2010) and on 27th October 2011 a special dividend of 12 pence per share (at a total cost of £6,751,174).

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.

Directors

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

J. Shakeshaft (Chairman)

S. Hansen

M. Christensen

D. Adamson

D. Pirouet

Secretary

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

Independent Auditors

The Company's auditors, BDO Alto Limited, were succeeded by BDO Limited on 1st January 2012. These interim financial statements were read by BDO Limited for omissions and errors but no review of the numbers was performed.

Nominated Adviser

The Company's Nominated Adviser is PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH who has expressed its willingness to continue in office.

Registrar

Computershare Investor Services (Channel Islands) Limited, Queensway House, Hilgrove Street, St Helier, JE1 1ES.

Broker

Matrix Corporate Capital LLP, One Vine Street, London, WIJ 0AH.

Bankers

Royal Bank of Scotland International, 71 Bath Street, St Helier, Jersey, JE4 8PQ.

Legal Advisers

Norton Rose, 3 More London Riverside, London, SE1 2AQ.

Carey Olsen, 47 Esplanade, St Helier, Jersey, JE1 0BD.

Investment Adviser

Ludgate Investments Limited, 80 Cannon Street, London, EC4N 6HL.

Registered Office

22 Grenville Street
St. Helier
Jersey
JE4 8PX

Statement of Directors' Responsibilities in Respect of the Financial Statements

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

The Directors are required to prepare financial statements for each financial year under the Companies (Jersey) Law 1991. As permitted by that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain its transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (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 confirm they have complied with the above requirements throughout the period and subsequently.

By Order of the Board

Tracy Barnes

Authorised Signatory

State Street Secretaries (Jersey) Limited

Secretary

Date: 31st January 2012

Balance Sheet

As at 31st December 2011

	Notes	Unaudited interim financial statements 31st Dec 11	Audited annual financial statements 30th June 11	Unaudited interim financial statements 31st Dec 10
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	7,21	24,440,345	24,170,394	31,438,913
Current assets				
Derivatives at fair value through profit or loss	7,8	36,114	208,362	643,166
Loans receivable	10	1,022,172	745,388	1,500,000
Trade and other receivables	11	359,989	236,298	513,580
Cash and cash equivalents	9	19,689,116	33,801,516	21,578,151
		21,107,391	34,991,564	24,234,897
TOTAL ASSETS		**£45,547,736**	**£59,161,958**	**£55,673,810**
Liabilities				
Non-current liabilities				
Retention of performance fees	13	188,723	187,384	186,648
Current liabilities				
Trade and other payables	12	90,169	130,630	38,417
TOTAL LIABILITIES		**278,892**	**318,014**	**225,065**
NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**45,268,844**	**58,843,944**	**55,448,745**
TOTAL LIABILITIES AND NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**£45,547,736**	**£59,161,958**	**£55,673,810**
		£	**£**	**£**
Net asset value per ordinary share outstanding		0.805	1.05	0.99

These interim financial statements on pages 7 to 45 were approved and authorised for issue by the Board of Directors on the 31st day of January and were signed on its behalf by David Pirouet

The notes on pages 11 to 45 form part of these financial statements.

Statement of Comprehensive Income

For the Period 1st July 2011 to 31st December 2011

	Notes	Unaudited interim financial statements 1st Jul 11 to 31st Dec 11	Audited annual financial statements 1st Jul 10 to 30th Jun 11	Unaudited interim financial statements 1st Jul 10 to 31st Dec 10
INCOME:				
Deposit interest income		132,381	205,354	69,845
Income on financial assets at fair value through profit or loss		385,713	1,193,468	606,642
Other income		-	149,449	150,801
Gain on financial assets and derivatives at fair value through profit or loss	7,8	-	4,053,856	943,014
Movement on foreign exchange		-	546,939	115,042
		518,094	**6,149,066**	**1,885,344**
EXPENSES:				
Loss on financial assets and derivatives at fair value through profit or loss	7,8	4,577,295	-	-
Legal fees		23,028	52,415	15,004
Professional fees		182,142	236,487	137,448
Adviser fees	18	580,738	1,106,616	535,668
Administration and accountancy fees		122,709	100,990	27,567
Directors' fees and expenses	4	81,347	161,688	79,569
Audit fees		18,746	19,080	15,000
Miscellaneous fees		23,187	12,196	10,693
Movement on foreign exchange		748,282	-	-
		6,357,474	1,689,472	820,949
TOTAL COMPREHENSIVE (LOSS)/ INCOME		**£(5,839,380)**	**£4,459,594**	**£1,064,395**
(Loss)/gain per ordinary share	6	£(0.10)	£0.08	£0.02

The notes on pages 11 to 45 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Shareholders

For the Period 1st July 2011 to 31st December 2011

For the Period Ended 31st December 2011	Notes	Ordinary shares and warrants issued	Change in net assets attributable to equity shareholders	Total net assets attributable to equity shareholders
Opening balance as at 1st July 2011		57,566,436	1,277,508	58,843,944
Total comprehensive loss		-	(5,839,380)	(5,839,380)
Dividends paid to equity shareholders	5	-	(7,735,720)	(7,735,720)
Closing balance as at 31st December 2011	**14**	**£ 57,566,436**	**£(12,297,592)**	**£45,268,844**
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		-	(758,446)	(758,446)
Closing balance as at 30th June 2011	**14**	**£57,566,436**	**£1,277,508**	**£58,843,944**

The notes on pages 11 to 45 form part of these financial statements.

Statement of Cash Flows

For the Period 1st July 2011 to 31st December 2011

	Notes	Unaudited interim financial statements 1st Jul 11 to 31st Dec 11	Audited annual financial statements 1st Jul 10 to 30th Jun 11	Unaudited interim financial statements 1st Jul 10 to 31st Dec 10
Cash flows from operating activities	17	(917,497)	(1,294,161)	(779,824)
Cash flows from investing activities				
Purchase of investments	7	(11,991,761)	(6,694,632)	(3,736,462)
Sale of investments	7	7,353,319	13,772,337	-
Interest and dividends received		251,825	1,265,525	528,499
Loan finance provided	10	(876,672)	(745,388)	(300,000)
Loan finance repaid	10	552,388	1,200,000	-
		(4,710,901)	8,797,842	(3,507,963)
Cash flows from financing activities				
Dividends paid to equity shareholders		(7,735,720)	(758,446)	(758,446)
Payment of placement fees		-	-	(163,000)
Proceeds from issue of ordinary shares during the year		-	9,837,009	10,000,009
		(7,735,720)	9,078,563	9,078,563
Net (decrease)/increase in cash and cash equivalents		(13,364,118)	16,582,244	4,790,776
Effects from changes in exchange rates on cash and cash equivalents		(748,282)	546,939	115,042
Cash and cash equivalents at beginning of the period/year		33,801,516	16,672,333	16,672,333
Cash and cash equivalents at end of the period/ year		**£19,689,116**	**£33,801,516**	**£21,578,151**

The notes on pages 11 to 45 form part of these financial statements.

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 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 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

The unaudited interim financial information included in the half-year report for the six months ended 31st December 2011, has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". It does not include all of the information required for full annual financial statements. The half-year report should be read in conjunction with the annual report and audited financial statements for the year ended 30th June 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The extra column of comparatives for the half-year ended 31st December 2010 in the statement of financial position is an AIM requirement, and notes to these accounts are not required.

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 period

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 period 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

The following applicable New Accounting Requirements have been issued. However, these New Accounting Requirements are not yet mandatory and have not yet been 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.

IAS 1, “Presentation of Financial Statements” (amendments)

The main change resulting from these amendments that is relevant to the Company is a requirement for entities to group items presented in other comprehensive income (“OCI”) on the basis of whether they may potentially be reclassified to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

The revised standard is effective for accounting periods commencing on or after 1st July 2012, but early adoption is permitted at any time prior to this date.

Non-mandatory New Accounting Requirements not yet adopted -

IFRS 9, “Financial Instruments” (Replacement of IAS 39, “Financial Instruments: Recognition and Measurement”)

IFRS 9 was issued in November 2009 and October 2010 and addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: (i) those measured at fair value; and, (ii) those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The standard also results in one impairment method replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

The standard is mandatory for accounting periods commencing on or after 1st January 2015, but early adoption is permitted at any time prior to this date.

IFRS 10, “Consolidated Financial Statements”

IFRS 10 is effective for annual periods beginning on or after 1st January 2013 and builds on existing principles by identifying the concept of controls as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard is not expected to have any impact on the Company’s financial position or performance.

IFRS 12, “Disclosure of interest in other entities”

IFRS 12 is effective for annual periods beginning on or after 1st January 2013 and includes the disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The new standard is not expected to have any impact on the Fund's financial position or performance.

IFRS 13 "Fair Value Measurement"

IFRS 13 was issued in May 2011 and aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The standard is mandatory for accounting periods commencing on or after 1st January 2013, but early adoption is permitted at any time prior to this date. IFRS 13 also requires certain additional disclosures for financial instruments categorised within Level 3 of the fair value hierarchy.

Non-mandatory New Accounting Requirements not yet adopted

IFRS 13 "Fair Value Measurement"

The Directors have made an assessment of the potential impact of early adoption of all of the standards listed above. In the Directors' opinion, early adoption of any of these standards would have no material effect on the reported performance, financial position, or disclosures of the Company.

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.

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 they entitled 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 is 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.

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" Guidelines) 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 period 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.
- New Earth Recycling and Renewables (Infrastructure) Plc are valued at the recent published monthly valuation published by the fund administrator.
- Terra Nova SAS shares are valued on a market based multiple of Earnings before Interest, Tax and Depreciation in line with market multiples less net debt. This metric has been discounted to reflect the company's non-listed status.
- ECO Plastics Limited shares are valued based on a multiple of sales in line with market multiples less net debt. This metric has been discounted to reflect the company's non-listed status.
- Lumicity Limited shares valuation is based on its estimated net realisable value.

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

	31st Dec 11		**30th Jun 11**	
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 periods which ended 31st December 2011 and 30th June 2011.

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

For the Period 1st July 2011 to 31st December 2011

4. Directors' Remuneration and Interests

	Period ended 31st Dec 11	Period ended 31st Dec 10
Directors' fees	80,000	74,092
Directors' expenses	1,347	5,477
	£81,347	**£79,569**

The details of the directors remuneration is as follows:	Period ended 31st Dec 11	Period ended 31st Dec 10
J. Shakeshaft (Chairman)	30,000	28,296
S. Hansen	12,500	11,819
M. Christensen	12,500	11,819
D. Maccabe	-	1,416
D. Adamson	12,500	10,371
D. Pirouet	12,500	10,371
	£80,000	£74,092

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
31st December 2011			
Directors			
J. Shakeshaft	115,445	12,500	-
M. Christensen	10,000	2,500	-
D. Adamson	50,000	12,500	25,000
Investment Adviser and related principals			
Ludgate Investments Limited	664,000	166,000	775,250
T. Cooke	50,000	12,500	25,000
N. Curtis	15,000	-	-
N. Pople	50,000	12,500	95,000
C. Sebag-Montefiore	-	-	75,000
B. Weil	-	-	40,000
30th June 2011			
Directors			
J. Shakeshaft	115,445	12,500	-
M. Christensen	10,000	2,500	-
D. Adamson	50,000	12,500	25,000
Investment Adviser and related principals			
Ludgate Investments Limited	664,000	166,000	775,250
T. Cooke	50,000	12,500	25,000
N. Curtis	15,000	-	-
N. Pople	50,000	12,500	95,000
C. Sebag-Montefiore	-	-	75,000
B. Weil	-	-	40,000

Principals of Ludgate Investments Limited include Directors and senior management.

Notes to the Financial Statements
For the Period 1st July 2011 to 31st December 2011

5. Dividends

The Directors recommended and the Company paid an interim dividend of 1.75 pence per share in issue as at 29th July 2011 (at a total cost of £984,546) (for the six months ended 31st December 2010: 1.65 pence per share in issue as at 30th June 2010) and on 27th October 2011 a special dividend of 12 pence per share (at a total cost of £6,751,174).

6. Earnings Per Share

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

	Period Ended 31st Dec 11	**Period Ended 31st Dec 10**
Total comprehensive (loss)/ income	£(5,839,380)	£1,064,395
	Number	Number
Weighted average number of equity shares for the purposes of basic earnings per share	56,259,784	51,113,102
Basic and diluted (loss)/ income per equity share	£(0.10)	£0.02

Outstanding Warrants are anti-dilutive for both periods 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:

	31st Dec 11	30th Jun 11
Opening cost of investments	28,460,639	31,619,268
Cost of Loan Notes converted into Preference/Ordinary Shares	-	(4,500,000)
Purchases/(disposals) during the period/year:		
New investments acquired	11,991,761	6,694,632
Conversions	-	4,500,000
Investments sold	(6,430,640)	(9,853,261)
Closing cost of investments	**£34,021,760**	**£28,460,639**
Opening fair value of investments	24,170,394	26,719,866
Cost of Loan Notes converted into Preference/Ordinary Shares	-	(4,500,000)
Purchases/(disposals) during the period/ year:		
New investments acquired	11,991,761	6,694,632
Conversions	-	4,500,000
Proceeds on disposal	(7,353,319)	(13,772,337)
Fair value movement	(4,368,491)	4,528,233
Closing fair value of investments	**£24,440,345**	**£24,170,394**

Further details of the investments held can be found in note 21 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.

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

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 comprise 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 31st December 2011 and 30th June 2011.

31st December 2011	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss	2,368,694	3,076,500	18,995,151	24,440,345
Derivatives at fair value through profit or loss	-	-	36,114	36,114
30th June 2011				
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

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 period ended 31st December 2011 and year ended 30th June 2011 by class of financial assets were as follows:

31st December 2011	**Derivatives**	**Unquoted equities**	**Unquoted securities**	**Total**
Opening balance	208,362	16,226,571	2,295,333	18,730,266
Total (losses)/gains (realised/unrealised) included in the statement of comprehensive income	(172,248)	(4,165,195)	-	(4,337,443)
Purchases, sales, issuances, and settlements (net)	-	4,152,494	485,948	4,638,442
Closing balance	£36,114	£6,213,870	£2,781,281	£19,031,265

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

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

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 £864,365 (for the year ended 30th June 2011: £811,329). A decrease of 5% would have resulted in a decrease in value of £864,365 (for the year ended 30th June 2011: £811,329).

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

	31st Dec 11	30th Jun 11
Walker Crips Stockbrokers Limited	2,368,694	1,953,427
State Street (Jersey) Limited	22,071,651	21,680,324
Computer Share (Australia)	-	536,643
	£24,440,345	**£24,170,394**

8. Derivatives 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.

	31st Dec 11	30th Jun 11
Rapid Action Packaging Limited – 2,250 warrants (30th June 2011: 2,250)	**£36,114**	**£208,362**

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

9. Cash and Cash Equivalents

	31st Dec 11	30th Jun 11
Royal Bank of Scotland International - current account GBP	247,440	215,805
Royal Bank of Scotland International - current account EUR	261,605	167,749
Royal Bank of Scotland International - current account AUD	1	1
Royal Bank of Scotland International - reserve account	186,977	186,977
Walker Crips Stockbrokers Limited	2,980	2,980
Cash held on fixed term deposit:		
Fixed term deposits held with Barclays (GBP)	4,000,000	6,379,203
Fixed term deposits held with Barclays (EUR)	-	1,783,951
Fixed term deposits held with ABN AMRO (GBP)	4,223,619	7,502,928
Fixed term deposits held with ABN AMRO (EUR)	-	4,515,488
Fixed term deposits held with HSBC (GBP)	5,891,083	-
Fixed term deposits held with Lloyds (GBP)	4,875,411	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
	£19,689,116	**£33,801,516**

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 (30th June 2011: £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	31st Dec 11	30th Jun 11
Walker Crips Stockbrokers Limited	2,980	2,980
Royal Bank of Scotland International	696,023	3,071,360
Barclays	4,000,000	8,163,154
Lloyds	4,875,411	10,545,606
ABN AMRO	4,223,619	12,018,416
HSBC	5,891,083	-
	19,689,116	**£ 33,801,516**

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

10. Loans Receivable

	31st Dec 11	30th Jun 11
Rapid Action Packaging Limited	-	254,388
Lumicity Ltd	702,500	298,000
Ignis Wick Limited	319,672	193,000
	£1,022,172	**£745,388**

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 was converted into 149,000 A Preference shares on 19th August 2011.

On 19th August 2011, the Company purchased additional 125,000 Lumicity A Preference Shares and £750,000 Series B Loan Notes which bear interest of 10%. In the accounts to 31 December 2011, a fair value provision of £47,500 has been made against this loan, which accordingly has a fair value of £702,500.

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 at 31st December 2011, £319,672 (year ended 30th June 2011: £193,000) has been drawn.

The Company originally entered into a Loan Facility Agreement in 2009 with Rapid Action Packaging Limited ("RAP"). This Loan Facility was repaid in full on 13th June 2011 and the proceeds were used to acquire additional shares and Convertible Unsecured Loan Stock in RAP. On the same date, the Company provided a £254,388 unsecured and interest free loan note to RAP. On 19th July 2011, the Company converted the loan note into 180 ordinary shares of £417.03 each and the remaining £179,323 to convertible loan notes.

11. Trade and Other Receivables

	31st Dec 11	30th Jun 11
Fixed deposit interest receivable	35,573	60,550
Investment income receivable	299,385	165,497
Prepayments and other receivables	25,031	10,251
	£359,989	**£236,298**

12. Trade and Other Payables

	31st Dec 11	30th Jun 11
Directors' fees and expenses payable	47,871	35,371
Professional fees payable	10,844	22,414
Audit fees payable	4,500	14,800
Administration and accounts payable	25,000	20,000
Other creditors	1,954	38,045
	£90,169	**£130,630**

All expenses are payable on presentation of an invoice.

13. Performance Fee Retention

	31st Dec 11	30th Jun 11
Retention of performance fees	**£188,723**	**£187,384**

For further details please refer to note 3. The above figures include accrued interest as at 31st December 2011 (30th June 2011).

14. Stated Capital Account

AUTHORISED	**31st Dec 11**	**30th Jun 11**
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 2011	56,259,784	6,683,775	1,285,250
Closing balance at 31st December 2011	56,259,784	6,683,775	1,285,250
Opening balance at 1st July 2010	45,966,419	6,683,775	1,285,250
Issued during the period	10,293,365	-	-
Closing balance at 30th June 2011	56,259,784	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 manager warrants are not listed.

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

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.

	31st Dec 11 Stated Capital	30th Jun 11 Stated Capital
Opening balance	57,566,436	47,729,427
Issued during the period/year	-	10,000,009
Placement fees	-	(163,000)
Closing balance	**£57,566,436**	**£57,566,436**

Warrants:		**31st Dec 11**	**30th Jun 11**
Issue of warrants at IPO			
(1:4 exercisable for ordinary shares)	Number	6,683,775	6,683,775
Exercise price		£1.50	£1.50

Manager 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

Warrants may only be exercised 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 current 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.

Notes to the Financial Statements
For the Period 1st July 2011 to 31st December 2011

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 21 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

For the Period 1st July 2011 to 31st December 2011

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

Interest Rate Profile:		**31st Dec 2011**	
	Interest charging basis	**Effective interest rate**	**Amount**
Financial assets:			
Cash and cash equivalents	Fixed	0.67%	19,689,116
Financial assets at fair value though profit or loss:			
Unquoted securities	Fixed	8.00%	3,076,500
Unquoted securities	Fixed	12.00%	2,474,656
Unquoted securities	Fixed	6%	306,625
Quoted equities	Non-interest bearing	n/a	2,368,694
Unquoted equities	Non-interest bearing	n/a	16,213,870
Derivatives at fair value through profit or loss	Non-interest bearing	n/a	36,114
Loan receivable	Fixed	8.00%	319,672
Loan receivable	Fixed	10.00%	702,500
Trade and other receivables	Non-interest bearing	n/a	359,989
			£45,547,736
Financial liabilities:			
Trade and other payables	Non-interest bearing	n/a	90,169
Retention of performance fees	Floating	0.93%	188,723
			£278,892
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

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 period, the Company's interest income from fixed deposits was £132,381 (year ended 30th June 2011: £205,354) of which £35,573 (as at 30th June 2011: £60,550) is outstanding at the end of the period. Had interest rates been 50 basis points higher throughout the period the Company would have decreased in loss by £98,446, with a corresponding increase had interest rates been 50 basis points lower (year ended 30th June 2011: increase in profit of £169,008).

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 fully 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.

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

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

	31st Dec 11	30th Jun 11
Financial assets at fair value through profit or loss		
Unquoted equities and securities denominated in EUR	1,774,436	5,531,554
Quoted equities denominated in AUD	379,966	571,220
	£2,154,402	**£6,102,774**

	31st Dec 11	30th Jun 11
Cash and cash equivalents		
Cash and cash equivalents denominated in EUR	261,605	10,982,676
Cash and cash equivalents denominated in AUD	1	1
	£261,606	**£10,982,677**
Trade and other payables:		
Trade payables denominated in EUR	-	521
Trade payables denominated in USD	5,791	37,411
	£5,791	**£37,932**

Currency sensitivity

As at 31st December 2011 if GBP had strengthened against the EUR by 5%, with all other variables held constant, the loss for the period as per the statement of comprehensive income would have increased and the net assets of the Company would have decreased by £96,954 (year ended 30th June 2011: decrease in income and decrease in net assets of £786,367). A 5% weakening of GBP against the EUR would have resulted in a decrease in the loss for the year as per the statement of comprehensive income and an increase in net assets of the Company of £107,160 (year ended 30th June 2011: increase in income and increase in net assets of £869,143), with all other variables held constant.

As at 31st December 2011 if GBP had strengthened against the AUD by 5%, with all other variables held constant, the loss for the year as per the statement of comprehensive income would have increased and the net assets of the Company would have decreased by £18,094 (year ended 30th June 2011: decrease in income and decrease in net assets of £27,201). A 5% weakening of GBP against the AUD would have resulted in a decrease in the loss for the period as per the statement of comprehensive income and an increase in the net assets of the Company of £19,998 (year ended 30th June 2011: increase in income and increase in net assets of £30,064), with all other variables held constant.

As at 31st December 2011 if GBP had strengthened against the USD by 5%, with all other variables held constant, the loss for the year as per the statement of comprehensive income would have decreased and the net assets of the Company would have increased by £276 (year ended 30th June 2011: increase in income and increase in net assets of £1,781). A 5% weakening of GBP against the USD would have resulted in an increase in the loss for the period as per the statement of comprehensive income and a decrease in the net assets of the

Company of £305 (year ended 30th June 2011: decrease in income and decrease in net assets of £1,969), 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 period ended 31st December 2011 was a loss of £748,282 (year ended 30th June 2011: gain of £546,939). This movement has been largely caused by the variance in the EUR:GBP exchange rate during the period on deposits held in EUR. The EUR:GBP exchange rate moved from 1.1073 as at 1st July 2011 to 1.1972 as at 31st December 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:

	31st Dec 11	**30th Jun 11**
Financial assets at fair value through profit or loss	**percentage of net assets**	**percentage of net assets**
Equity investments:		
Quoted	5.23%	4.29%
Unquoted	35.82%	27.58%
Debt investments:		
Unquoted	12.94%	9.21%

Market price risk sensitivity

26.19% of the Company's investment assets are listed on European stock exchanges (year ended 30th June 2011: 8.08%). 1. 55% of the Company's investments are listed on the Australian stock exchange (year ended 30th June 2011: 2.36%). A 10% increase in stock prices as at 31st December 2011 would have decreased the loss for the period and would have increased the net assets of the Company by £236,869 (year ended 30th June 2011: increased the profit and increase the net assets by £252,507). 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:

	31st Dec 11	30th Jun 11
Preference share holdings	1,467,811	3,163,179
Unquoted securities	5,857,781	5,418,753
Loans receivable	1,022,172	745,388
Trade and other receivables	359,989	236,298
Cash and cash equivalents	19,689,116	33,801,516
Total financial assets exposed to credit risk	**£28,396,869**	**£43,365,134**

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:

	31st Dec 11	30th Jun 11
Cleantech industries	30.66%	22.05%
Banks/financial services	69.34%	77.95%

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:

	31st Dec 11	30th Jun 11
Investment in cleantech industries	100.00%	100.00%
Geographical area – Holland	9.37%	10.42%
Geographical area – France	6.01%	12.46%
Geographical area - UK	83.07%	74.75%
Geographical area - Australia	1.55%	2.37%

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.

	31st Dec 11		30th Jun 11	
	Within One year £	One to five years £	Within one year £	One to five years £
Financial assets:				
Cash and cash equivalents	19,689,116	-	33,801,516	-
Financial assets at fair value through profit or loss	-	24,440,345	-	24,170,394
Derivatives at fair value through profit or loss	36,114	-	208,362	-
Loans receivable	1,022,172	-	745,388	-
Trade and other receivables	359,989	-	236,298	-
	21,107,391	**25,567,607**	**34,991,564**	**24,170,394**
Financial liabilities:				
Trade and other payables	90,169	-	130,630	-
Retention and performance fee	-	188,723	-	187,384
	90,169	**188,723**	**130,630**	**187,384**

Financial instruments by category

Category in accordance with IAS 39	Carrying amount £	Amounts recognised in balance sheet according to IAS 39 Amortised Cost £	Fair value recognised in profit or loss £	Fair value £
At 31st December 2011:				
Loans and receivables	21,071,277	21,071,277	-	21,071,277
Fair value through profit or loss	24,476,459	-	24,476,459	24,476,459
Other liabilities	278,892	278,892	-	278,892
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

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 £
31st December 2011:			
Loss on financial assets and derivatives at fair value through profit or loss	-	(4,540,739)	-
Interest income	132,381	385,713	-
Foreign exchange loss	(748,282)	-	
	(615,901)	**(4,155,026)**	
31st December 2010:			
Gain on financial assets and derivatives at fair value through profit or loss	-	943,014	-
Interest income	69,845	489,274	-
Dividend income	-	117,368	-
Foreign exchange gain	115,042	-	-
	184,887	1,549,656	-

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

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 permitted 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

	Period ended 31st Dec 11	Period ended 31th Dec 10
Total comprehensive (loss)/ income	(5,839,380)	1,064,395
Adjustments for:		
Loss/(gain) on financial assets and derivatives at fair value through profit or loss	4,540,739	(943,014)
Movement on foreign exchange: cash and cash equivalents	748,282	(115,042)
Interest and dividends on investments	(385,713)	(606,642)
Provision against loan receivable	47,500	-
Decrease/(increase) in trade and other receivables	10,197	(174,229)
Decrease in trade and other payables	(40,461)	(5,776)
Increase in retention of performance fees	1,339	484
CASH FLOW FROM OPERATIONS	**£(917,497)**	**£(779,824)**

NON-CASH MOVEMENTS	**31st Dec 11**	**30th Jun 11**
Purchase of investments:		
Conversion of Loan Notes to Preference/Ordinary Shares	-	4,500,000
	£ -	**£4,500,000**

18. Related Party Disclosure

Directors' remuneration and expenses payable for the period ended 31st December 2011 are disclosed in note 4 and note 12.

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 period the Adviser's fee was £578,069 (period ended 31st December 2010: £535,668). No accrued Adviser's fees were outstanding as at the period end (year ended 30th June 2011: £ Nil). During the period the Adviser's expenses were £2,669 (period ended 31st December 2010: £2,162).

Placing fees of £ Nil (period ended 31st December 2010: £163,000) was paid to the Corporate Finance Division of LIL by the Company during the period. 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 period ended 31st December 2011 (period ended 31st December 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 period ended 31st December 2011, LIL provided services to certain portfolio companies. The total paid by portfolio companies for such services to LIL for the six month period ended 31st December 2011 was £36,460 (period ended 31st December 2010: £122,472). In the six month period to 31st December 2011, LIL reimbursed the Company £Nil. In the full year ended 30th June 2011, LIL reimbursed the Company £149,449 from its placement fee in agri.capital.

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.

Notes to the Financial Statements

For the Period 1st July 2011 to 31st December 2011

20. Shareholders' Interests

As at the Balance Sheet Date, the registered holdings of the Company of at least 3% of the total share capital as far as the Board is aware comprised:

AS AT 31ST DECEMBER 2011	Ordinary shares held	Percentage shareholding
Morstan Nominees Limited	8,019,271	14.25%
BNY Mellon Nominees Limited	7,568,308	13.45%
Ocean Capital Holdings II B.V.	5,839,757	10.38%
Flintshire County Council	5,791,288	10.29%
Harewood Nominees Limited	5,220,999	9.28%
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%

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%
Ocean Capital Holdings II B.V.	5,839,757	10.38%
Flintshire County Council	5,791,288	10.29%
Harewood Nominees Limited	4,632,013	8.23%
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%

The Directors' were informed that HSBC Global Custody Nominee (UK) Limited (786698) holds the shares on behalf of Ocean Capital Holdings II B.V. The total number of shares was combined in the above table.

21. Investments

	31st Dec 11 Cost	31st Dec 11 Fair value	30th Jun 11 Cost	30th Jun 11 Fair value
Quoted equity securities:				
Hydrodec Group plc Ordinary Shares	3,498,417	1,386,053	3,498,417	970,237
Renewable Energy Generation Ordinary shares	720,241	462,675	720,241	433,613
Phoslock Water Solutions Limited Ordinary shares	443,713	379,966	443,713	571,220
Hightex Group plc Ordinary Shares	730,000	140,000	730,000	550,000
Total quoted equities:	5,392,371	2,368,694	5,392,371	2,525,070
Unquoted equities:				
STX Services B.V. Ordinary Shares	692,162	2,289,638	692,162	2,368,375
Rapid Action Packaging Limited Ordinary Shares	5,035,903	3,714,278	4,960,838	4,812,370
Emergya Wind Technologies B.V. Preference Shares	4,471,385	-	4,471,385	151,148
New Earth Solutions Ordinary Shares	-	-	4,959,968	5,882,647
Terra Nova SAS Preference Shares	2,688,582	1,467,811	2,688,582	3,012,031
New Earth Recycling & Renewables (Infrastructure) plc	4,412,017	4,513,405	-	-
Lumicity Limited Class A Preference Shares	548,000	-	-	-
ECO Plastics Limited Ordinary Shares	5,000,059	4,228,738	-	-
Total unquoted equities:	22,848,108	16,213,870	17,772,935	16,226,571
Unquoted securities:				
Hydrodec Group plc Convertible Bonds	3,000,000	3,076,500	3,000,000	3,123,420
Rapid Action Packaging Limited 12% (30th June 2011: 8%) Convertible Loan Notes	2,474,656	2,474,656	2,295,333	2,295,333
Terra Nova SAS - Loan	306,625	306,625	-	-
Total unquoted securities:	5,781,281	5,857,781	5,295,333	5,418,753
Total investments:	£34,021,760	£24,440,345	£28,460,639	£24,170,394

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