Clean Energy Brazil PLC

Report and Accounts
for year ended 30 April 2011

Clean Energy Brazil PLC

Registered Office:
Clean Energy Brazil PLC
IOMA House
Hope Street
Douglas
IM1 1AP
Isle of Man
British Isles

Company registration number - 117766C

Directors:
Jossef (Yossi) Barath - (Chairman)
Timothy Walker - (Audit Committee Chairman)
Josef (Yossi) Raucher
Eitan Milgram

Nominated Advisor & Broker:
Singer Capital Markets Limited
One Hanover Street
London
W1S 1YZ

Auditors:
KPMG Audit LLC
Heritage Court 41 Athol Street
Douglas
IM99 1HN
Isle of Man
British Isles

Administrator and Registrar:
IOMA Fund and Investment Management Limited
IOMA House
Hope Street Douglas
IM1 1AP
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Website:
www.cleanenergybrazil.com

General Enquiries:
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Chairman's Statement

Dear Shareholders:

Clean Energy Brazil plc ("CEB") has one remaining investment in Brazil, a thirty three per cent interest in Unialco MS, a Brazilian sugar cane and ethanol producer. On 25 August 2011 CEB entered into an agreement with Unialco SA, the majority shareholder in Unialco MS, granting Unialco SA an option to purchase CEB's interest in Unialco MS for $16 million payable in cash by 11 September 2011. In return, Unialco SA irrevocably surrendered its 13,863,929 CEB shares. Prior to expiration, CEB and Unialco SA agreed to extend the option period up until 30 September 2011. Nonetheless, Unialco SA failed to exercise the option by 30 September and the option has therefore expired.

We continue to reduce our costs and endeavor to sell our remaining investment for fair value. I shall report our progress when we release our semi-annual results for the period ended 31 October 2011.

Respectfully yours,

Jossef Barath
Chairman

24 October 2011

Directors' Report

The Board of Directors of Clean Energy Brazil plc ("CEB" or "the Company") presents its annual report and financial statements for the year ended 30 April 2011.

Principal activity and incorporation

The Company was incorporated on 19 September 2006 in the Isle of Man. The Company and its subsidiaries ("the Group") have the objective of investing in Brazil's sugar and ethanol industries. On 18 December 2006, CEB joined the Alternative Investment Market (AIM) of the London Stock Exchange. The Group is now in the process of divesting all of its assets and shall determine an efficient manner to seek to return capital to shareholders.

Results

The results of the Group for the year ended 30 April 2011 are shown in the attached financial statements.

A review of the Group's activities is provided in the Chairman's Statement.

Dividends

No dividends were paid during the year ended 30 April 2011 (2010: $nil).

Directors and Directors' interests

The Directors during the year and to the date of this report were as follows:

Jossef (Yossi) Barath	- (Chairman)
Timothy Walker	- (Audit Committee Chairman)
Josef (Yossi) Raucher	
Eitan Milgram	

In addition, Marcelo Schunn Diniz Junqueira served as a director until his resignation on 30 November 2010.

At 30 April 2011, Timothy Walker had an interest in 25,751 shares and 6,250 warrants.

Yossi Raucher, and Eitan Milgram are employees of Weiss Asset Management LP, the investment manager of Global Investors Acquisition which, together with associates, owns 59.05% of the issued share capital of the Company.

Company Secretary

The secretary of the Company during the year and up to the date of the report was Philip Scales.

Auditors

Our auditors, KPMG Audit LLC, have expressed their willingness to continue in the office, in accordance with Section 12 (2) of the Isle of Man Companies Act 1982.

By order of the Board,

Philip Peter Scales
Company Secretary
24 October 2011

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare Company financial statements for each financial year, which meet the requirements of Isle of Man Company Law. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group 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 they have been prepared in accordance with International Financial Reporting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and to enable them to ensure that its financial statements comply with the Companies Acts 1931 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial information may differ from one jurisdiction to another.

Corporate Governance Statement

Although the Company is not obliged by the listing rules to do so, the Board intends, where appropriate for a Company of its size, to comply with the main provisions of the principles of good governance and code of best practice set out in the Combined Code (‘the Code’).

Responsibilities of the Board

The Board of Directors is responsible for the determination of the investment policy of the Company and for its overall supervision via the investment policy and objectives that it has set out. The Board is also responsible for the Company’s day-to-day operations; however, since the Board members are all non-executive, in order to fulfil these obligations, the Board has delegated a number of the operations through arrangements with the Administrator.

At each Board meeting, the financial performance of the Company and its portfolio assets are reviewed.

Audit Committee

The Audit Committee is a sub-committee of the Board and makes recommendations to the Board, which retains the right of final decision. The Audit Committee has primary responsibility for reviewing the financial statements and the accounting policies, principles and practice underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

The terms of reference of the Audit Committee covers the following:

- The composition of the Committee and quorum of meetings.
- Appointment and duties of the Chairman.
- Duties in relation to external reporting, including reviews of financial statements, shareholder communications and other announcements.
- Duties in relation to the external auditors, including appointment/ dismissal, approval of fee, and discussion of the audit.
- Duties in relation to internal systems, procedures and controls.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Clean Energy Brazil PLC

We have audited the financial statements of Clean Energy Brazil plc for the year ended 30 April 2011 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group Statement of Cash Flows and the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

This report is made solely to the Company's members, as a body, in accordance with Section 15 of the Companies Act 1982. 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 Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of financial statements that 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 (APB'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 Group'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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 April 2011 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been properly prepared in accordance with the provisions of Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Parent Company and proper returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's statement of Financial Position and Statement of Comprehensive Income are not in agreement with the books of account and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN
25 October 2011

Consolidated Statement of Comprehensive Income
for the year ended 30 April 2011

	Note	2011 $'000	2010 $'000
Interest income on bank balances		138	292
Sundry income		-	16
Fair value movement on revaluation of investments	7	(6,401)	(2,015)
Profit / (loss) on sale of agricultural assets	9	62	(170)
Fair value movement on agricultural assets	9	-	(1,164)
Investment expense		-	(1,689)
Cancellation of operating leases of land		-	(1,492)
Net investment loss		(6,201)	(6,222)
Provision for potential claim	17	6,880	(6,880)
Other administration fees and expenses	4	(2,075)	(5,858)
Total administrative expenses		4,805)	(12,738)
Foreign exchange (loss)/gain		(84)	127
Finance costs		(12)	(35)
Loss for the year before taxation		(1,492)	(18,868)
Taxation	5	(90)	(239)
Loss for the year		(1,582)	(19,107)
Other comprehensive income/(loss)			
Foreign exchange (loss)/gain on translation of subsidiaries		(29)	3,464
Total comprehensive loss for the year		(1,611)	(15,643)
Basic and diluted loss per share	6	$(0.01)	$(0.13)

The Company made a loss of $1,568,000 (2010: loss of $15,974,000) for the year.

The notes on pages 9 to 16 form an integral part of the financial statements

Consolidated and Company Statements of Financial Position as at 30 April 2011

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Non-current assets					
Interests in subsidiaries	11	-	-	21,604	29,682
Investments at fair value through profit or loss	7	19,510	25,911	-	-
Property, plant and equipment	8	51	133	-	-
Total non-current assets		19,561	26,044	21,604	29,682
Current assets					
Trade and other receivables		1,059	468	34	87
Agricultural assets	9	-	2,616	-	-
Cash and cash equivalents		19,701	20,079	18,241	11,763
Total current assets		20,760	23,163	18,275	11,850
Total assets		40,321	49,207	39,879	41,532
Current liabilities					
Trade and other payables		(306)	(701)	(39)	(124)
Provision for potential claim	17	-	(6,880)	-	-
Total liabilities		(306)	(7,581)	(39)	(124)
Net assets		40,015	41,626	39,840	41,408
Represented by:					
Share capital	10	2,920	2,920	2,920	2,920
Distributable reserves		34,840	36,422	36,920	38,488
Other reserves		2,255	2,284	-	-
Total equity		40,015	41,626	39,840	41,408
Net Asset Value per share ($)	15	0.27	0.28		

The financial statements were approved by the Board of Directors on 24 October 2011 and were signed on their behalf by:

Tim Walker
Director

Philip Scales
Company Secretary

The notes on pages 9 to 16 form an integral part of the financial statements

Statement of Changes in Equity for the year ended 30 April 2011

Consolidated

	Share Capital $'000	Share Premium $'000	Distributable Reserves $'000	Other Reserves $'000	Total Equity $'000
Balance at 1 May 2009	2,920	82,584	(27,055)	(1,180)	57,269
Loss for the year	-	-	(19,107)	-	(19,107)
Other comprehensive income					
Foreign exchange gain on translation of subsidiaries	-	-	-	3,464	3,464
Transactions with owners recorded directly in equity					
Cancellation of share premium	-	(82,584)	82,584	-	-
Balance at 30 April 2010	2,920	-	36,422	2,284	41,626
Balance at 1 May 2010	2,920	-	36,422	2,284	41,626
Loss for the year	-	-	(1,582)	-	(1,582)
Other comprehensive income					
Foreign exchange gain on translation of subsidiaries	-	-	-	(29)	(29)
Balance at 30 April 2011	2,920	-	34,840	2,255	40,015

Company

	Share Capital $'000	Share Premium $'000	Distributable Reserves $'000	Other Reserves $'000	Total Equity $'000
Balance as at 1 May 2009	2,920	82,584	(28,122)		57,382
Loss for the year	-	-	(15,974)		(15,974)
Transactions with owners recorded directly in equity					
Cancellation of share premium	-	(82,584)	82,584		-
Balance at 30 April 2010	2,920	-	38,488		41,408
Balance as at 1 May 2010	2,920	-	38,488		41,408
Loss for the year	-	-	(1,568)		(1,568)
Balance at 30 April 2011	2,920	-	36,920		39,840

The notes on pages 9 to 16 form an integral part of the financial statements

Consolidated Statement of Cash Flows
for the year ended 30 April 2011

	Note	2011	2010
		$'000	$'000
Cash flows from operating activities			
Loss for the year		(1,582)	(19,107)
Adjustments for:			
Fair value adjustments		6,401	3,179
Interest income		(138)	(384)
Interest expense		12	-
Exchange differences		84	-
Profit on sale of agricultural assets	9	(62)	-
Tax paid	5	90	239
Depreciation of property, plant and equipment	8	11	20
Changes in working capital			
Change in trade and other receivables		(22)	241
Change in agricultural assets		-	244
Change in provision for potential claim		6,880	6,880
Change in trade and other payables		(485)	(67)
Net cash flows used in operating activities		(2,571)	(8,755)
Cash flows from investing activities			
Interest received		138	292
Proceeds on disposal of agricultural assets	9	2,250	-
Disposal of property, plant and equipment		-	67
Purchase of property, plant and equipment		(5)	(14)
Net cash flows generated from investing activities		2,383	345
Cash flows from financing activities			
Interest expense paid		(12)	(35)
Net cash flows used in financing activities		(12)	(35)
Net decrease in cash and cash equivalents		(200)	(8,445)
Cash and cash equivalents at start of year		20,079	26,593
Effect of exchange rate fluctuations on cash balances		(178)	1,931
Cash and cash equivalents at end of year		19,701	20,079

The notes on pages 9 to 16 form an integral part of the financial statements.

Notes to the Financial Statements for the year ended 30 April 2011

1. General information

The Company is a closed-end investment company incorporated on 19 September 2006 in the Isle of Man as a public limited company. The address of its registered office is IOMA House, Hope Street, Douglas, and Isle of Man.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the entities included in the consolidated financial statements.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were authorised for issue by the Board of Directors on 24 October 2011.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss and agricultural assets which are measured at fair value in the statement of financial position.

(c) Functional and presentation currency

These consolidated financial statements are presented in US Dollars, which is the Company's functional currency. All financial information presented in US Dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Control is achieved where the Company has the power to govern the financial and operating policies of a portfolio company so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Summary of significant accounting policies

3.1 Income

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Interest income is recognised using the effective interest method.

3.2 Expenses

All expenses are accrued for on an accruals basis and are presented as revenue items except for expenses that are incidental to the disposal of an investment, which are deducted from the disposal proceeds.

3.3 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3.4 Foreign currency transactions

Foreign currency transactions

Transactions in currencies other than the United States dollar ?are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies at the reporting are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into US Dollars at foreign exchange rates ruling at the dates the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollars at average exchange rates during the year.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to as net investment in a foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

3.5 Segment reporting

The Group operates in one business and geographic segment, being investment in Brazil's sugar and ethanol industries. No additional disclosure is included in relation to segment reporting, as the Group's activities are limited to one business and geographic segment.

3.6 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

3.7 Investments

Investments of the Group where the Group does not have control are categorised as at fair value through profit or loss. They are measured at fair value. Unrealised gains and losses arising from revaluation are taken to the profit or loss.

Investments in entities over which the Group has control are consolidated in accordance with IAS 27.

The Group has taken advantage of an exemption in IAS 28, Investments in Associates, which permits investments in associates held by venture capital organisations, investment funds and similar entities to account for such investments at fair value through profit or loss.

The fair value of unquoted securities is estimated by the Directors using the most appropriate valuation techniques for each investment.

Securities quoted or traded on a recognised stock exchange or other regulated market are valued by reference to the last available bid price.

3.8 Agricultural assets

The Company's agricultural assets are valued at fair value as determined by the Directors.

3.9 Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, 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, where appropriate, the risks specific to the liability.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.11 Interest expense

Interest expenses for borrowings are recognised within "finance costs" in the statement of comprehensive income using the effective interest rate method.

3.12 Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing on or after)
IAS 1 Presentation of Financial Statements*	1 January 2011
IAS 1 Presentation of Financial Statements - amendments to revise the way other comprehensive income is presented	1 July 2012
IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) (December 2010)	1 January 2012
IAS 19 Employee Benefits - Amendment resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 27 Consolidated and Separate Financial Statements*	1 July 2010
IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 *Separate Financial Statements* (as amended in May 2011)	1 January 2013
IAS 28 Investments in Associates – Reissued as IAS 28 *Investments in Associates and Joint Ventures* (as amended in May 2011)	1 January 2013
IAS 34 Interim Financial Reporting*	1 January 2011
IFRS 3 Business Combinations*	1 July 2010
IFRS 7 Financial Instruments: Disclosures*	1 January 2011
IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (October 2010)	1 July 2011
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements**	1 January 2013
IFRS 11 Joint Arrangements**	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities**	1 January 2013
IFRS 13 Fair Value Measurement**	1 January 2013
IFRIC Interpretation	
IFRIC 13 Customer Loyalty Programmes*	1 January 2011
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - November 2009 amendments with respect to voluntary prepaid contributions	1 January 2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

*Amendments resulting from May 2010 Annual Improvements to IFRSs
** Original issue May 2011

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Group’s financial statements in the period of initial application.

4 Administration fees and expenses

Administration fees and expenses consist of the following:

	2011	2010
	$'000	$'000
Audit fees	38	209
Insurance	91	46
Professional fees	1,220	2,819
Administration costs	196	304
Staff costs	215	1,279
Directors' fees (note 16)	98	418
Sundry expenses	217	783
Total	2,075	5,858

5 Taxation

The Company is resident for tax purposes in the Isle of Man and is subject to Isle of Man income tax at the current rate of 0%. The tax charge of $90,000 (2010: $239,000) arose on the profits of some of the Brazilian subsidiaries (primarily from interest income).

6 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2011	2010
Loss attributable to shareholders ($'000)	(1,562)	(19,107)
Weighted average number of ordinary shares in issue (thousands)	147,564	147,564
Basic loss per share	($0.01)	($0.13)

The Company has no dilutive potential ordinary shares as the market price of the shares has been greater than the exercise price of the warrants throughout the year. Therefore the diluted loss per share is the same as the basic loss per share.

7 Investments at fair value through profit or loss

"Investments" comprise 33% of the issued share capital of Unialco MS Participaçoes SA ("Unialco"), a company incorporated in Brazil.

This investment is a joint venture. However, it is not equity accounted, but designated as held at fair value through profit or loss in accordance with a permitted exemption under IAS 31.

The investment is stated at fair value, as estimated by the Directors.

	2011	**2010**
	$'000	$'000
Balance at 1 May 2010	25,911	36,663
Disposals	-	(8,737)
Fair value adjustment	(6,401)	(2,015)
Balance at 30 April 2011	19,510	25,911

Fair value of the Company's investment in Unialco is based on the terms of the Share Option Agreement referred to in note 18, and consists of the cash sum payable under the option plus the market value of shares in the Company surrendered post year end as consideration for the option.

8 Property, plant and equipment

Group	Land and buildings $'000	Fixtures and equipment $'000	Total $'000
Balance at 1 May 2010	67	109	176
Additions	-	5	5
Disposals	(67)	(14)	(81)
Balance at 30 April 2011	-	100	100
Accumulated depreciation			
Balance at 1 May 2010	2	41	43
Accumulated depreciation on disposals	(2)	(3)	(5)
Charge for the year	-	11	11
Balance at 30 April 2011	-	49	49
Carrying value at 30 April 2011	-	51	51
Carrying value at 30 April 2010	65	68	133

The disposals of fixed assets relate were connected with the disposal of Pantanal agricultural assets (see note 9).

9 Agricultural assets

	2011 $'000	2010 $'000
Balance brought forward	2,616	2,283
Increases due to new plantations	-	1,019
Book value of Pantanal's operations disposed in year	(2,616)	-
Cost of cane sold	-	(1,155)
Foreign exchange gain/(loss)	-	1,633
Fair value adjustment	-	(1,164)
Balance carried forward	-	2,616

In May 2010, the Company's wholly-owned subsidiary Pantanal Agro Industrial ("CEB Pantanal") sold its agricultural assets (principally planted sugar cane) for BRL 5 million, equivalent to USD2,812,000 at prevailing exchange rates. BRL 1 million (USD 569,000) is included in debtors at the year-end in respect of the disposal proceeds. Following the sale, CEB Pantanal has no remaining operating agricultural assets.

The profit on the sale of agricultural assets is made up as follows:

	2011 $'000
Proceeds of Pantanal disposal	2,812
Book value of agricultural assets disposed in year	(2,616)
Book value of associated fixed assets (note 8)	(76)
Foreign exchange gain	4
Other profit/loss on cane sales	(62)
Profit	62

10 Share capital

Ordinary shares of 1pence each As at 30 April 2011 and 30 April 2010	**Number of shares**	**Value £'000**
Issued	147,563,929	1,475
Authorised	600,000,000	6,000

All shares are fully paid and each ordinary share carries one vote.

In addition to the ordinary shares, 25,000,000 equity warrants are admitted to trading on the AIM market. Each warrant entitles the holder to subscribe for one new ordinary share at £1.00 per share, subject to adjustment as detailed in the Company's Admission Document published in December 2006.

Capital management

The Company has authority to purchase up to 10% of its own shares on the market. No shares were purchased in the year ended 30 April 2011.
Group capital comprises share capital and reserves.
Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

11 Subsidiaries

The cost of investment in subsidiaries in the Company's financial statements is recorded at cost less an impairment allowance in the Company's financial statements and the results of the subsidiaries are included in the consolidated financial statements.

Name	**Country of Incorporation**	**Proportion of ownership interest**
Clean Energy Brazil Limited	Cayman Islands	100%

In addition to the direct subsidiary noted above, the Company has an indirect interest in the following entities through its Cayman Islands subsidiary.

Name	**Country of Incorporation**	**Proportion of ownership interest**
CEB Unicorn S.a.r.l.	Luxembourg	100%
CEB Unialco S.a.r.l.	Luxembourg	100%
CEB Pantanal S.a.r.l.	Luxembourg	100%
CEB Agua Limpa S.a.r.l.	Luxembourg	100%
CEB Cesar S.a.r.l.	Luxembourg	100%
CEB Beta Participaçoes Ltda.	Brazil	100%
CEB Gamma Participaçoes Ltda.	Brazil	100%
CEB Sigma Participaçoes Ltda.	Brazil	100%
CEB Zeta Participaçoes Ltda.	Brazil	100%
CEB Omega Participaçoes Ltda.	Brazil	100%
Pantanal Agro Industrial Ltda.	Brazil	100%
CEB Brasil Planejamento Empresarial Ltda.	Brazil	100%

12 Capital commitments

The Group has no capital commitments as at 30 April 2011 (2010: nil).

13 Related party transactions

There were no transactions with related parties during the year.

14 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of Directors identify and evaluate financial risks.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Brazilian Real. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations. The value of assets exposed to the Brazilian Real at the year end amounted to $22,042,000 (2010: $29,030,591).

At 30 April 2011, had the exchange rate between the Brazilian Real and US dollar increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately $1,102,000 (2010: $1,456,400).

(ii) Cash flow interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates.

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying values of assets and liabilities.

30 April 2011	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Investments at fair value through profit or loss	-	-	-	-	-	19,510	19,510
Trade and other receivables	-	-	-	-	-	1,068	1,068
Cash and cash equivalents	19,701	-	-	-	-	-	19,701
Total financial assets	19,701	-	-	-	-	20,578	40,279
Financial liabilities							
Trade and other payables	-	-	-	-	-	350	350
Total financial liabilities	-	-	-	-	-	350	350
Total interest rate sensitivity gap	19,701	-	-	-	-		

30 April 2010	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Investments at fair value through profit or loss	-	-	-	-	-	25,911	25,911
Trade and other receivables	-	-	-	-	-	468	468
Cash and cash equivalents	19,542	537	-	-	-	-	20,079
Total financial assets	19,542	537	-	-	-	26,379	46,458
Financial liabilities							
Trade and other payables	-	-	-	-	-	701	701
Provision for potential claim	-	-	-	-	-	6,880	6,880
Total financial liabilities	-	-	-	-	-	7,581	7,581
Total interest rate sensitivity gap	19,542	537	-	-	-		

The Group is not subject to significant fair value interest rate risk, therefore no sensitivity analysis has been provided.

(b) Credit risk

Credit risk arises on investments, cash balances and debtor balances. The amount of credit risk is equal to the amounts stated in the statement of financial position for each of these assets. Cash balances and transactions are limited to high-credit-quality financial institutions.

The Group has no significant concentrations of credit risk.

There are no impairment provisions as at 30 April 2011 (2010: nil).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has adopted a policy of maintaining surplus funds with approved financial institutions.

Residual undiscounted contractual maturities of financial liabilities:

	Less than 1 month	**1-3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**No stated maturity**
	$'000	$'000	$'000	$'000	$'000	$'000
30 April 2011						
Trade and other payables	350	-	-	-	-	-
Total	350	-	-	-	-	-
30 April 2010						
Trade and other payables	701	-	-	-	-	-
Provision for potential claim	-	-	-	-	-	6,880
Total	701	-	-	-	-	6,880

15 Net asset value (NAV)

The NAV per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the year by the number of shares in issue.

	2011	**2010**
Net assets	$40,015,000	$41,626,000
Number of shares in issue (note 13)	147,563,929	147,563,929
NAV per share	$0.27	$0.28

16 Directors' remuneration

Fees earned during the year and previous year (up to the date of resignation or from the date of appointment where applicable) are as below:

	2011	**2010**
	$'000	**$'000**
Jossef (Yossi) Barath (Chairman)	25	10
Timothy Walker (Audit Committee Chairman)	63	84
Marcelo Schunn Diniz Junqueira	10	96
Philip Scales	-	17
Antonio Monteiro de Castro	-	61
Richard Jewson	-	42
Earl Michael St Aldwyn	-	24
Nigel Wood	-	83
	98	418

17 Provision

In the previous year's Financial Statements, a provision of US$6.88 million was made for a potential claim against the Company by Unialco in connection with the Company's investment in Unialco MS in 2007. The Directors believe that the provision is no longer necessary.

18 Subsequent events

On 25 August 2011 the Company and certain subsidiaries entered into a Share Option Agreement with Unialco S/A – Álcool E Açúcar, ("Unialco S/A"), which gives Unialco S/A the option to purchase the Company's entire interest in Unialco MS Participações S/A ("Unialco MS"). As consideration for this option, Unialco S/A irrevocably surrendered its 13,863,929 CEB shares, which CEB expects to have cancelled. The option gave Unialco S/A the right to acquire, on or before 30 September 2011, CEB's entire interest in Unialco MS for US$16 million payable in cash on completion, but the option was not exercised and has therefore expired. Unialco M/S is CEB's last remaining investment.