WORLD MARKETS

Annual Report
and
Accounts in accordance with IFRS

For the year ended 31 December 2011

of

WORLD MARKETS AG, Hünenberg

(CH-440.3.016.333-3)

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DIRECTORS, ADVISERS AND COMPANY INFORMATION

Directors

Dr. Karl Preisig, Herrliberg, Switzerland *Chairman*
Dr. David Haas, Al Seef, Bahrain *Delegate*
Tanja Havemann, Zurich, Switzerland
Stephen Hooper, Sorrento, Australia
Graham Taylor, Chelmsford, United Kingdom

Registered office

c/o IFIT Fund Services AG
Rothusstrasse 21
CH-6331 Hünenberg

Company number

CH-440.3.016.333-3

Auditor

Balmer-Etienne AG
Bederstrasse 66
CH-8002 Zürich

Paying agent

ISP Securitites AG
Bellerivestrasse 45
CH-8008 Zürich

Investor Relations

IFIT Institute For Innovative Trading AG
Voltastrasse 61
CH-8044 Zürich

Bankers

Credit Suisse
CH-8070 Zurich

Designated Sponsor and Specialist

ICF Kursmakler AG Wertpapierhandelsbank
Kaiserstrasse 1
DE-60311 Frankfurt am Main

Web

www.world-markets-ag.com

DIRECTORS' BIOGRAPHIES

Dr. Karl Preisig

Karl Preisig started his career in the financial industry more than 30 years ago in New York. He then served as an executive of some of the world's largest financial institutions in the US, UK and in Singapore.

After his return to Switzerland Karl was appointed Managing Director and General Manager of J.P Morgan in Zurich, Switzerland. From 1996 to 1998, he was Chairman of the Executive Committee of Guyerzeller Bank.

Since 1999 Karl has been serving as an independent director in various companies.

Karl Preisig holds a doctorate in Business Administration from the University of Zurich. He also completed International Advanced Management Program at INSEAD in France.

Dr. David Haas

David Haas has been awarded a PhD degree in business administration and finance from the University of Zurich, Switzerland.

David has been active for more than 20 years in management positions in the banking industry in Switzerland. He has a vast experience in corporate and private banking at the same time and has held positions with Credit Suisse, State Bank of Zurich and Julius Baer & Co. AG, where he built up a sizeable network of national and international contacts. He played a major role in the setup, structuring and development of a Private Bank in Zurich, where he acted as member of the executive committee.

David Haas is founding partner of a Swiss regulated Asset Management company and holds various Board positions.

Tanja Havemann

Tanja Havemann originated, performed and managed investments for the world's largest private sector carbon fund (Climate Change Capital). She was actively involved in forestry projects, as well as regional coverage of Sub Saharan Africa and Southeast Asia. She also has experience with forestry and infrastructure funds.

Tanja has advised a number of investors on carbon and improved land management (e.g. Dexia Carbon Fund), as well as multilaterals including the UN Food and Agriculture Organization (ASO) and the World Bank.

Tanja holds an MSc in Applied Environmental Economics, Imperial College, London, an LLM in Environmental Law and Policy from Canterbury Law School, University of Kent, and a BSc Hons in Tropical Environmental Science, University of Aberdeen. She is a founder and managing partner of Beyond Carbon LLC.

Stephen Hooper

Stephen Hooper is the Managing Director of Rainforest Project Management Limited. Rainforest Project Management Limited is the project manager and developer of the April Salumei project. Rainforest Project Management Limited hold the Intellectual Property rights to the project and have developed propriety information including all policies, procedures and work practices necessary to develop and manage the April Salumei project as approved during the validation.

Stephen has researched and worked for the last three years in developing an in-depth understanding of the social and business issues that surround Avoided Deforestation Projects in Papua New Guinea PNG. His previous experience has seen him working in Senior Management roles including that of Managing Director of an ASX Listed company, which has provided him with the experience and insight to lead this diverse and complex project.

Graham Taylor

Graham Taylor qualified by examination to become a member of the UK Chartered Institute of Taxation in 1985.

In January 1990 he became a Junior Partner in a London based firm of taxation consultants serving a wide range of UK and internationally based clients.

In June 1992 he resigned to undertake an ambition of travelling overland through various parts of Africa. On his return to the UK Graham set up his own practice as a Chartered Tax Adviser and has been based at his current office for eleven years. His client base is primarily individuals who own and run their own businesses.

Graham has been serving as independent Director in several international companies.

CHAIRMAN'S STATEMENT

Overview

I am pleased to report that the Company has delivered a resilient performance in what has been one of the most challenging trading environments for many years.

The current year has seen a complete change of direction for the Company and during the course of the year there have been further significent changes which included the massive strengthening of the asset and equity base as well as important personal changes. The board has new members who have taken the Company in a new direction as previously reported.

The new personel included specialists with experience in the Company's new chosen field.

The Company has made good progress in increasing its asset base and working capital in 2011, despite sustained economic, financial and political turbulence affecting many markets.

The Company completed a reverse split 20 for 1 that reduced the number of shares in issue in August 2011, and a capital increase in December 2011. The purpose of the first step was for the shares to have a nominal value that would satisfy the stock market regulations while the second step strengthened the equity base.

For further details with respect to the Company's activities in 2011 and other relevant shareholders information please consult the Company's web site at www.world-markets-ag.com.

It is the Board's intention to continuously monitor its asset base and to look to investment opportunities that will fit with the Company's proposed strategy.

The Frankfurt Open Market "First Quotation Board" will not exist after September 2012 which leaves the Board to consider its options with respect to the listing of the Company.

Financial Results

The profit for the period under review was CHF 209'998 generated by the sale of CBUs that were initially acquired for the aforesaid consideration of 125 million 0.01 CHF ordinary shares. The CBUs are shown in the Balance Sheet at cost as the directors considered the CBUs held to be below current market value.

Annual General Meeting

Our Annual General Meeting will be held at the offices of IFIT Institute For Innovative Trading, Voltastrasse 61, CH-8044 Zurich on 11 June 2012 at 11:00 a.m. and we welcome shareholders to attend our meeting and to meet our directors and staff.

7 May 2012

Dr. Karl Preisig, Chairman

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2011.

Activities and business review

The principal activity of the Company is that of investing in companies using processes that meet the clean design mechanism design (CDM) criteria or projects that are in the process of procuring carbon benefit units (CBUs) accredited under either the Climate Community Biodiversity standard (CCBA) or more likely the Voluntary Carbon Standard (VCS).

Results and dividends

The results of the Company for the year are set out on page 11 and the Statement of Financial Position on page 12.

Strategy and future developments

The strategy is to maximise its rate of return on its investments whilst simultaneously ensuring that it invests in companies that are genuinely dedicated to reducing their carbon emissions or are using clean design mechanism (CDM) technologies. Alternatively the Company may consider investments into projects which are attempting to procure the issue of CBUs under the CCBA or preferably the VCS.

The Company's principal asset is currently a holding of CBUs which are accredited under CCBA. The directors are currently considering as to whether the Company should be involved in enhancing the accreditation of these CBUs to VCS level or possibly liquidate its investment, partially or wholly, in order that it may invest in other projects dependent upon which is considered to give the optimum future returns for the Company.

Risk management

The Company is exposed to a number of business risks which are disclosed in Note 3 to the financial statements on page 16.

Directors' interests – Shares

The Directors who served during the year and to the date of this report and their beneficial interests, including those of their spouses, at the end of the year in the shares of the Company were as follows:

- Dr. Karl Preisig: 75'000 shares
- Stephen Hooper: 338'750 shares
- Graham Taylor: 50'000 shares

There are no option plans for Directors and/or staff in place.

Major shareholdings

Shareholders holding more than 5% of the shares of the Company at 31 December 2011 were:

- Carbon Equity Fund SPC obo First Clean Sustainable SP 5'010'843 shares (66.59%)

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in Note 9 on page 22/23.

The holders of ordinary shares are entitled to receive notice of and to attend and vote at any General Meeting of the Company. Every share represented at such meeting shall have one vote. All ordinary shares are entitled to participate in any distribution of the Company's profits or assets.

There are no restrictions on the transfer of the Company's ordinary shares. The shares are traded solely on the Frankfurt Open Market.

Key performance indicators

Due to the fact that the Company has changed its business activities in 2011 key performance indicators are not applicable.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

(i) So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(ii) The Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

7 May 2012

By Order of the Board

Graham Taylor, Director

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Company financial statements in accordance with Swiss Law. In addition the Directors have decided to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Swiss Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Switzerland governing the preparation and dissemination of financial statements differ from legislation in other jurisdictions.

7 May 2012

By order of the Board

Dr. David Haas, Delegate

INDEPENDENT AUDITOR'S REPORT

for the business year 2011 to the general meeting of shareholders of World Markets AG, Hünenberg

Report on the financial statements

As statutory auditor, we have audited the accompanying financial statements of World Markets AG, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes (page 11 – page 26) for the year ended 31 December 2011.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS), Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law, Swiss Auditing Standards and the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Markets AG as of 31 December 2011, and the results of its operations, changes in equity and its cash flows for the year then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Zurich, 7 May 2012

Balmer-Etienne AG

Werner Pfäffli	Tu'uyen Maria Lang
Licensed audit expert	Licensed audit expert (Auditor in Charge)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Expressed in CHF)

	Notes	2011	2010
SALES	7	520'729	0
Costs of goods sold	7	-72'837	0
Sales commissions	7	-69'693	0
GROSS PROFIT		**378'199**	**0**
Operating expenses	10	-116'443	-17'556
Marketing expenses		-25'206	-31'268
Bank charges		-357	-273
Depreciation on financial assets	8	-6'743	0
OPERATING PROFIT / (-) (LOSS		**229'450**	**-49'097**
Interest income	12	1'092	2'196
Foreign exchange gains / (-) losses		1'421	-1'357
EARNINGS BEFORE TAXES		**231'963**	**-48'258**
Taxation	11	-21'965	-302
TOTAL PROFIT/(LOSS) FOR THE YEAR, BEING TOTAL COMPREHENSIVE PROFIT / (-) LOSS FOR THE YEAR		**209'998**	**-48'560**
BASIC EARNINGS PER SHARE*		**0.06**	**-0.10**

See accompanying Notes to the financial statements.
*Further details to the earnings per share see Note 9.

Signed on behalf of the Board of Directors
Dr. David Haas, Delegate

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

(Expressed in CHF)

ASSETS	Notes	2011	2010
Current assets		**3'565'810**	**12'106**
Cash and cash equivalents		600'613	5'263
Prepaid expenses and accrued income		0	6'843
Other receivables		4'975	0
Inventories	7	2'960'222	0
Non-current assets		**37'252**	**60'920**
Financial assets	8	0	6'879
Amounts due from related parties	12	37'252	54'041
TOTAL ASSETS		**3'603'061**	**73'026**

LIABILITIES AND EQUITY	Notes	2011	2010
Current liabilities		**408'916**	**6'000**
Trade payables		352'413	0
Other payables		4'864	0
Accrued expenses		51'640	6'000
Non-current liabilities		**0**	**66'011**
Amounts due to related parties	12	0	66'011
Total liabilities		**408'916**	**72'011**
Equity	9	**3'194'145**	**1'015**
Share capital		1'505'000	100'000
Share premium		1'578'131	0
Retained earnings		111'013	-98'985
TOTAL LIABILITIES AND EQUITY		**3'603'061**	**73'026**

See accompanying Notes to the financial statements.

Signed on behalf of the Board of Directors
Dr. David Haas, Delegate

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Expressed in CHF)

	Share Capital	Reserves	Retained earnings	Total equity
Balance at 1 January 2010	100'000	0	-50'425	49'575
Net income / (-) loss for the year			-48'560	
Other comprehensive income / (-) loss			0	0
Balance at 31 December 2010	100'000	0	-98'985	1'015
Balance at 1 January 2011	100'000	0	-98'985	1'015
Issue of new share capital	1'405'000	1'684'350	0	3'089'350
Costs of issue of new shares		-106'219		
Net income / (-) loss for the period			209'998	
Other comprehensive income / (-) loss			0	0
Rounding differences			-1	-1
Balance at 31 December 2011	1'505'000	1'578'131	111'013	3'194'145

See accompanying Notes to the financial statements.

Signed on behalf of the Board of Directors
Dr. David Haas, Delegate

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

(Expressed in CHF)

	Notes	2011	2010
Cash flows used for operating activities		**-2'303'371**	**-28'052**
Profit / (-) loss for the year		209'998	-48'560
Sales of CBUs	7	520'729	0
Purchases of CBUs	7	-3'033'059	0
Sales commissions	7	-69'693	0
Realised gains on CBU sales	7	-378'199	0
Adjustments for non-cash income and expenses			
Depreciation of financial assets		6'743	0
Interest on loans		-1'092	-2'193
Marketing costs		16'656	31'268
Foreign exchange differences		1'362	1'277
Tax impact on costs of issue of shares	9	18'400	0
Decrease / (-) increase in prepaid expenses and accrued income		6'843	-6'843
Increase in other receivables		-4'975	0
Increase in trade payables		352'412	0
Increase in other payables		4'864	0
Increase / (-) decrease in accrued expenses		45'640	-3'000
Cash flows from financing activities		**2'898'720**	**33'281**
Issue of shares	9	3'089'350	0
Costs of issue of shares	9	-124'619	0
Increase / (-) decrease in amounts due to related parties		-66'011	33'281
Net increase in cash and cash equivalents		**595'350**	**5'229**
Cash and cash equivalents at beginning of year		5'263	34
Cash and cash equivalents at end of year		**600'613**	**5'263**

See accompanying Notes to the financial statements.

Signed on behalf of the Board of Directors
Dr. David Haas, Delegate

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

World Markets AG (the "Company") is a company domiciled in Switzerland and is listed on the Open Market in Frankfurt, Germany (ISIN: CH0039402646 – WKN: A0NJ8B – Ticker: 4WM). The Company exists pursuant to art. 620 et seq. of the Swiss Code of Obligations and has its registered office in Hünenberg, Switzerland.

World Markets AG is an investment company focused on the strategic development of carbon abatement projects worldwide .

2. Basis of preparation

(a) Statement of compliance – First-time adoption of International Financial Reporting Standards (IFRS)

These financial statements have been prepared in accordance with the requirements of IFRS as adopted by the European Union and International Financial Reporting Interpretations Committee. These are the Company's first financial statements prepared in accordance with IFRS (see Note 13 on page 25 for explanation of the transition to IFRS).

These financial statements were approved by the Board of Directors and authorized for issue on 7 May 2012.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial assets which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Swiss Francs (CHF), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the 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 on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

(e) Going concern basis

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 7 to 8. It also includes the Company's objectives, policies and processes for managing its business risk objectives, which includes its exposure to credit, market and operational risks. The Company continues to conserve cash resources. After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

3. Financial risk management

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's related party loans and cash and cash equivalents. Due to the nature of these loans, management deems the risk involved to not be significant. All cash is held at the same institution, being Credit Suisse, with a credit rating of Aa1 (Moody's), and thus management deems the risk involved to not be significant. No additional measures have been taken to mitigate credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The investment in Carbon Benefit Units ("CBU") also poses a liquidity risk as these assets are not traded on a stock exchange or another regulated market. However, they are traded on an OTC market. Management has not taken any measures to mitigate this risk.

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 or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The investment in Carbon Benefit Units poses a number of market risks to the Company. The market for these units is an emerging market and it may display volatile pricing and be subject to uncertainty, speculation and regulatory intervention. The prices the Company receives for its product are subject to market forces that are beyond the Company's control. The Company monitors the stability and trends of market prices closely and, where possible, will negotiate agreements that reflect market prices and maintain adequate underlying profit margins.

The Company is exposed to currency risk on the CBU's (they are usually traded in USD), as well as some loans made to/from shareholder, cash balances and an investment that is denominated in a currency other than the functional currency of the Company. Management deems the currency risks to not be significant and thus has not taken any additional mitigating measures on these.

4. Capital management

The Board's policy is to maintain a strong capital base as to maintain shareholder, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to shareholders.

The Company's net debt to equity ratio at the reporting date was as follows:

(in CHF)	31 December 2011	31 December 2010
Net debt	**-191'696**	**66'748**
Total liabilities	408'916	72'011
Less: cash and cash equivalents	600'613	5'263
Total equity	**3'194'145**	**1'015**
Net debt to equity ratio	**-6.00%**	**6576.16%**

5. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective or qualifying cash flow hedges, which are recognised in other comprehensive income.

(b) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

(c) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

(d) Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sales decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise amounts due from related parties and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise amounts due to related parties, trade paybles, other payables and bank overdrafts.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(e) Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(f) Provisions

Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(g) Revenue recognition

The Company follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. In principle, therefore, revenue is recognised to the extent that the economic benefits associated with the transaction will flow into the Company.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists usually in the form of an executed sales agreement, that the significant risks and rewards or ownership have been transferred to the customer, recovery is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(h) Finance income

Finance income comprises interest income on cash balances and amounts due from related parties.

(i) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is caluclated by dividing the profit or loss attributable to shareholders by the weighted average number of shares in issue during the year, adjusted for own shares held, if any. Diluted earnings per share is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding, adjusted for own shares held, for the effects of all dilutive potential shares, which comprise convertible notes and share options granted to employees, if any.

(j) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9 Financial Instruments, which becomes mandatory for the Company's 2013 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

(k) Segment reporting

IFRS 8 requires that an entity discloses financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Board to allocate resources and to assess performance. Using the Company's internal management reporting as a starting point the single reporting segment set out in note 7 has been identified.

6. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial assets at fair value through profit or loss

The investment in WM World Market GmbH, Deutschland ("WM"), is carried at fair value. This fair value is based on the net asset value of WM at 31 December 2010. It is a private company, so there is no trading of the company's shares in a public market. Therefore the Directors deem that the net asset value of WM is the best indicator of its fair value.

(ii) Amounts due from related parties

The loans have no fixed terms of repayment and therefore management deems the fair value to be equal to the carrying amount.

(iii) Amounts due to related parties

The loans have no fixed terms of repayment and therefore management deems the fair value to be the equal to the carrying amount.

7. Inventories / Revenue and segmental analysis

The Company initially purchased 5‘000‘000 metric tonnes of CO2e Carbon Benefit Units for an amount of CHF 2‘500‘000 (CHF 0.50 per unit). The debt was converted into equity. The Company has started to buy and sell units on the OTC market.

Inventory (in CHF)	31 December 2011	31 December 2010
Carbon Benefit Units ("CBU's")		
Book value	**2'960'222**	**0**
Opening balance	0	0
Units purchased (cost)	3'033'059	0
Units sold (sales price)	-520'729	0
Sales commissions paid	69'693	0
Realised gross profit	378'199	0
Units	**5'048'782**	**0**
Opening balance	0	0
Units purchased	5'194'456	0
Units sold	-145'674	0
Pricing		
Average purchase price per unit	0.58	n/a
Average gross sales price per unit	3.57	n/a
Average net sales price per unit	3.10	n/a

8. Financial assets

(in CHF)	31 December 2011	31 December 2010
Financial assets	**0**	**6'879**
World Market GmbH, Germany (0% / 100%)	0	5'500
Opening fair value - EUR	5'500	5'500
Movement in fair value	-5'499	0
Sales price	-1	0
Fair value - CHF equivalent	0	6'879
Opening fair value (CHF equivalent)	6'879	8'156
Movement in fair value (CHF equivalent)	-6'879	-1'277

The investment in WM was initially recorded at cost, which was the purchase price paid for it. The shares of WM are not publicly traded on any stock exchange; therefore the Directors used WM's net asset value at year-end in order to determine the fair value. During the current period, management deemed that there was no value left in WM and decided to write down the investment in full and eventually all the shares were sold at EUR 1.

9. Capital and reserves

The share capital of the Company is CHF 1’505’000.00 and is divided into 7’525’000 bearer shares with a par value of CHF 0.20 per share. The shares are fully paid-in. Each share entitles to one vote.

The Board of Directors is empowered, at any time but latest 30 November 2013 to increase the share capital of the Company by a maximum of CHF 500’000.00 by issuing a maximum number of 2’500’000 bearer shares with a par value of CHF 0.20 per share, without privileges of individual classes. The share capital has to be fully paid-in and increasing the share capital in partial amounts is permitted.

During the current period there were two capital increases through conversion of debt into ordinary shares.

At the first capital increase by CHF 76’000, Da Vinci Invest Ltd. and other creditors converted their loans into share capital in order to prevent the Company from over-indebtedness. Later the Company entered into a transaction with First Clean Sustainable Segregated Portfolio (a sub fund of Carbon Equity Fund SPC) for the acquisition of Carbon Benefit Units for CHF 2’500’000 on debt. It was decided at the extraordinary general meeting of shareholders to convert this debt into share capital. The debt was converted into 125’000’000 new shares at CHF 0.02, thus an increase of share capital by CHF 1’250’000 and a share premium of CHF 1’250’000. At the same time an amount of CHF 10’000 due to IFIT Institute For Innovative Trading AG was converted into share capital (10’000 new shares at CHF 0.02, an increase of share capital by CHF 10’000 and a share premium of CHF 10’000).

On 31 August 2011, a reverse split 20 for 1 reduced the number shares in issue from 143’600’000 to 7’180’000.

In December 2011 there was a further issue of 345’000 shares against cash of CHF 1.43 per share.

(a) Weighted average number of shares in issue

No. of shares	Split-adjusted no. of shares	Period from date	to date	No. of days	Weight	Weighted
10'000'000	500'000	01.01.2011	07.06.2011	157	157/365	215'068
7'600'000	880'000	07.06.2011	20.07.2011	43	43/365	103'671
126'000'000	7'180'000	20.07.2011	12.12.2011	145	145/365	2'852'329
345'000	7'525'000	12.12.2011	31.12.2011	20	20/265	412'329
				365		3'583'397

(b) Earnings per share for the years ended 31 December

(in CHF)	2011	2010
Basic earnings per share		
Profit/Loss on ordinary activities after taxation	209'998	-48'560
Adjustment to reflect impact of dilutive share options	0	0
Earnings	209'998	-48'560
Number of shares in issue (weighted average)	3'583'397	500'000
(number of shares in issue 2010 adjusted by split ratio)		
Basic earnings per share	0.06	-0.10

Diluted earnings per share: There are neither an option plan for employees in place, nor any convertible bonds outstanding. Therefore a calculation of diluted earnings per share is obsolete.

(c) Movements of shares in issue

(in CHF)	31 December 2011	31 December 2010
	Shares	Shares
Closing number of shares on hand at year-end	**7'525'000**	**10'000'000**
Opening shares	10'000'000	10'000'000
Shares issued on 7 June 2011 at par value CHF 0.01	7'600'000	n/a
Shares issued on 20 July 2011 at CHF 0.02	126'000'000	n/a
Reverse split 20 for 1 on 31 August 2011	-136'420'000	n/a
Shares issued on 12 December 2011 at CHF 1.43	345'000	n/a
	CHF	CHF
Share capital	**1'505'000**	**100'000**
Opening share capital	100'000	100'000
Shares issued on 7 June 7 2011 at par value CHF 0.01	76'000	n/a
Shares issued on 20 July 2011 at CHF 0.02	1'260'000	n/a
Shares issued on 12 December 2011 at CHF 1.43	69'000	n/a
Share premium	**1'578'131**	**0**
Opening balance	0	n/a
Shares issued on 7 June 2011 at par value CHF 0.01	0	n/a
Shares issued on 20 July 2011 at CHF 0.02	1'260'000	n/a
Shares issued on 12 December 2011 at CHF 1.43	424'350	n/a
Costs related to new share issues net of tax		
Stamp duties paid	-18'573	n/a
Other costs related to new share issues	-87'645	n/a

(d) Share price and market capitalisation

Month end closing share prices (in EUR)	**2011**	**2010**
January	0.36	0.38
February	0.30	0.26
March	0.30	0.16
April	0.26	0.26
May	0.04	0.40
June	0.18	0.32
July	0.40	0.40
August	0.60	0.28
September	0.80	0.28
October	1.03	0.20
November	1.15	0.20
December	1.26	0.20

Market capitalisation		
EUR - market capitalisation as at 31 December 2011	9'481'500	100'000
CHF - market capitalisation as at 31 December 2011	11'537'089	125'070
EUR yearly performance	250.00%	-47.37%

10. Operating expenses and costs related to issues of new shares

(in CHF)	2011	2010
Operating expenses	**116'443**	**17'556**
Directors fees and expenses	50'093	0
Listing costs	20'019	9'659
Audit fees	17'975	5'608
Business management costs	26'737	1'252
Registered office and other administrative expenses	1'620	1'037
Costs related to issues of new shares*	**106'218**	**0**
Registrar and notary costs	17'832	n/a
Paying agent fees	33'851	n/a
Audit fees	12'925	n/a
Consulting fees	38'220	n/a
Stamp duty	21'790	n/a
Adjustment for tax impact	-18'400	n/a

*The costs related to issues of new shares (net of tax) are considered as one-time costs incurred due to changes required by the Frankfurt Open Market. These costs were recognised as reduction of the share premiums received.

11. Taxation

As a company with registered offices in Hünenberg, Canton of Zug, Switzerland, the Company is subject to the following taxes:

(i) Federal corporate tax on profits (max rate = 8.5%)

(ii) Cantonal corporate tax on profits

(iii) Cantonal corporate tax on equity

(iv) Communal corporate tax on profits

(v) Communal corporate tax on equity

The total current maximum rate for Cantonal and Communal taxes on profits is 6.28%. The taxes on equity amount to 0.08% of the equity. Previous years' losses can be offset against current year profits for a period of maximum 7 years.

During 2011, the Company has paid CHF 405 related to the year ended 31 December 2011 and has accrued estimated taxes of CHF 2'100 for the year ended 31 December 2011 for Cantonal and Communal taxes plus CHF 1'060 for Federal taxes.

The Company is taxed based on financial statements established according to Swiss GAAP which requires the costs related to the issues of new shares to be expensed through profit or loss. Therefore the taxable net profit deviates from the net profit as per the statement of comprehensive income of this report as follows:

Taxable profit calculation		
Net profit / (-) loss per statement of comprehensive income	209'998	-48'560
Adjustment for tax impact on costs related to issues of new shares	18'400	0
Accrued taxes	3'160	0
Costs related to issues of new shares	-102'828	0
Stamp duties	-21'790	0
Profit / (-) loss before taxes according to Swiss GAAP	106'941	-48'560
Tax losses carried forward	-98'985	-50'425
Taxable profit before taxes / (-) tax loss to carry forward	**7'956**	**-98'985**

12. Related parties

(in CHF)	31 December 2011	31 December 2010
Amounts due from related parties	**37'252**	**54'041**
Shareholder loans (direct and indirect)	37'252	54'041
Amounts due to related parties	**0**	**66'011**
Shareholder loans (direct and indirect)	0	65'522
Directors		
H. Klein	0	489

Transactions with related parties	2011	2010
Interest income on amounts due from related parties	1'092	2'193
Revenue incurred from CBU sales to shareholders	60'038	0
Marketing expenses incurred by Derivate Magazin GmbH	16'656	31'268
Restructuring expenses incurred with IFIT *	36'087	0
Business management expenses incurred with IFIT *	26'737	0

*IFIT being the outsourcing partner providing the management of the Company

13. First-time adoption of IFRS and explanation of transition to the IFRS

The financial statements for the year ended 31 December 2011 were prepared under IFRS for the first time. The date of this transition was 1 January 2010. Except for re-grouping and changes in the presentation of the statement of comprehensive income, no further changes had to be applied to the 2009 financial statements in order to comply with IFRS. A consolidation of the then 100% subsidiary WM World Market GmbH was omitted as it was considered not material. Adjustments of accrued taxes were not applied as they were considered not material. A further reconciliation is therefore obsolete.

For comparison of the opening statement of financial position as at 1 January 2010 according to IFRS versus the closing statement of financial position as at 31 December 2009 please see the following page:

Opening statement of financial position under IFRS versus Swiss GAAP closing balance-sheet

ASSETS	IFRS 1 January 2010	SWISS GAAP 31 December 2009
Current assets	**376**	**376**
Cash and cash equivalents	376	376
Non-current assets	**81'270**	**81'270**
Financial assets	8'156	8'156
Amounts due from related parties	73'114	73'114
TOTAL ASSETS	**81'646**	**81'646**

LIABILITIES AND EQUITY	1 January 2010	31 December 2009
Current liabilities	**9'341**	**9'341**
Bank overdrafts	341	341
Accrued expenses	9'000	9'000
Non-current liabilities	**22'730**	**22'730**
Amounts due to related parties	22'730	22'730
Total liabilities	**32'071**	**32'071**
Equity	**49'575**	**49'575**
Share capital	100'000	100'000
Retained earnings	-50'425	-50'425
TOTAL LIABILITIES AND EQUITY	**81'646**	**81'646**

14. Subsequent events

The Board identified no issues or transactions between 31 December 2011 and the date of issue of the financial statements which affect the financial statements and would need to be disclosed in accordance with IAS 10.

7 May 2012

By order of the Board

Dr. David Haas, Delegate