Clean Energy Brazil PLC

Report and Accounts
for year ended 30 April 2012

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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 Participações S/A ("Unialco MS"), a Brazilian sugar cane, and ethanol producer. On 1 June 2012 CEB entered into a sale agreement with Unialco S/A – Álcool E Açúcar, ("Unialco S/A"), the majority shareholder in Unialco MS, for CEB's interest in Unialco MS for $16.5 million payable in a series of monthly payments in cash by 15 September 2014. As at October 15th 2012, $7.5m has been received from Unialco MS. The amount outstanding as at 15 October 2012 is $9,505,286.

In December 2011 we distributed $18.4 million or 8.8 pence per share. Our cash position as of 19 October 2012 was approximately $8.2 million. We intend to continue to implement our stated strategy of closely monitoring our costs, eliminating unnecessary expenses, and returning capital to shareholders.

Respectfully yours,

Josef (Yossi) Raucher
Chairman

19 October 2012

Directors' Report

The Board of Directors of Clean Energy Brazil plc ("CEB" or "the Company") presents its annual report and consolidated financial statements for the year ended 30 April 2012.

Principal activity and incorporation

The Company was incorporated on 19 September 2006 in the Isle of Man. The Company and its subsidiaries (together "the Group") had 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 returning capital to shareholders in an efficient manner.

Results

The results of the Group for the year ended 30 April 2012 are shown in the attached consolidated financial statements.

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

Dividends

$18.4 million or 8.8 pence per share was returned during the year ended 30 April 2012 (2011: $nil).

Directors and Directors' interests

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

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

Mr Jossef (Yossi) Barath resigned as a director and chairman of the Company with effect from 1 January 2012.

At 30 April 2012, 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 65.12% 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 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
19 October 2012

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

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

Company law requires the Directors to prepare 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 2012 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 2012 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
19 October 2012

Consolidated Statement of Comprehensive Income for the year ended 30 April 2012

	Note	2012 $'000	2011 $'000
Continuing operations			
Interest income		68	138
Fair value movement on revaluation of investments	8	(3,010)	(6,401)
Profit on sale of agricultural assets		-	62
Profit on share option	8	2,974	-
Net investment profit/(loss)		32	(6,201)
Provision for potential claim		-	6,880
Other administration fees and expenses	4	(944)	(2,075)
Total administrative expenses		(944)	4,805
Foreign exchange gain/(loss)		246	(84)
Finance costs		(12)	(12)
Loss for the year before taxation		(678)	(1,492)
Taxation	5	(17)	(90)
Loss for the year		(695)	(1,582)
Other comprehensive income			
Foreign exchange loss on translation of subsidiaries		(197)	(29)
Total comprehensive loss for the year		(892)	(1,611)
Basic and diluted loss per share	6	$(0.00)	$(0.01)

The Company made a loss of $841,000 for the year (2011: loss of $1,568,000).

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 2012

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Non-current assets					
Interests in subsidiaries	10	-	-	16,729	21,604
Investments at fair value through profit or loss	8	16,500	19,510	-	-
Property, plant and equipment		25	51	-	-
Total non-current assets		16,525	19,561	16,729	21,604
Current assets					
Trade and other receivables		345	1,059	41	34
Cash and cash equivalents		1,146	19,701	883	18,241
Total current assets		1,491	20,760	924	18,275
Total assets		18,016	40,321	17,653	39,879
Current liabilities					
Trade and other payables		(297)	(306)	(58)	(39)
Total liabilities		(297)	(306)	(58)	(39)
Net assets		17,719	40,015	17,595	39,840
Represented by:					
Share capital	9	2,643	2,920	2,643	2,920
Capital redemption reserves		277	-	277	-
Distributable reserves		12,741	34,840	14,675	36,920
Other reserves		2,058	2,255	-	-
Total equity		17,719	40,015	17,595	39,840
Net Asset Value per share ($)	14	0.13	0.27	0.12	0.27

The financial statements were approved by the Board of Directors on 19 October 2012 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 2012

Consolidated

	Share Capital	Capital Redemption Reserves	Distributable Reserves	Other Reserves	Total Equity
	$'000	$'000	$'000	$'000	$'000
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
Balance at 1 May 2011	2,920	-	34,840	2,255	40,015
Loss for the year	-	-	(695)	-	(695)
Other comprehensive income					
Foreign exchange gain on translation of subsidiaries	-	-	-	(197)	(197)
Contributions by and distributions to owners of the Group					
Treasury shares (note 8)	-	-	(2,974)		(2,974)
Cancellation of treasury shares (note 9)	(277)	277	-	-	-
Dividend	-	-	(18,430)	-	(18,430)
Balance at 30 April 2012	2,643	277	12,741	2,058	17,719

Company

	Share Capital	Capital Redemption Reserves	Distributable Reserves	Total Equity
	$'000	$'000	$'000	$'000
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
Balance as at 1 May 2011	2,920	-	36,920	39,840
Loss for the year	-	-	(841)	(841)
Contributions by and distributions to owners of the Company				
Treasury shares (note 8)	-	-	(2,974)	(2,974)
Cancellation of treasury shares (note 9)	(277)	277	-	-
Dividend	-	-	(18,430)	(18,430)
Balance at 30 April 2012	2,643	277	14,675	17,595

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 2012

	Note	2012 $'000	2011 $'000
Cash flows from operating activities			
Loss for the year		(695)	(1,582)
Adjustments for:			
Fair value movement on revaluation of investments		3,010	6,401
Interest income		(68)	(138)
Interest expense		13	12
Foreign exchange differences		(246)	84
Profit on sale of agricultural assets		-	(62)
Profit on share option	8	(2,974)	-
Tax paid	5	17	90
Depreciation of property, plant and equipment		12	11
Changes in working capital			
Change in trade and other receivables		714	(22)
Change in provision for potential claim		-	(6880)
Change in trade and other payables		(26)	(485)
Net cash flows used in operating activities		(243)	(2,571)
Cash flows from investing activities			
Interest received		68	138
Proceeds on disposal of agricultural assets		-	2,250
Purchase of property, plant and equipment		-	(5)
Net cash flows generated from investing activities		68	2,383
Cash flows from financing activities			
Interest expense paid		(13)	(12)
Dividends paid		(18,430)	-
Net cash flows used in financing activities		(18,443)	(12)
Net decrease in cash and cash equivalents		(18,617)	(200)
Cash and cash equivalents at start of year		19,701	20,079
Effect of exchange rate fluctuations on cash held		63	(178)
Cash and cash equivalents at end of year		1,146	19,701

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 2012

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 19 October 2012.

(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 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. Information about critical judgements in applying policies that have the most significant effect on amounts recognised in the consolidated financial statements is included in note 8 – Investments at fair value through profit or loss.

3. Summary of significant accounting policies

3.1 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

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 Provisions

A provision is recognised in the statement of financial position when the Group 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 Treasury shares

Treasury shares is the Company's issued shares that have been bought back from the shareholders and are recorded in retained equity. Where cash is not used to buy back the shares, contra entry is recognised as a gain in the profit or loss.

3.13 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 - Amendments to revise the way other comprehensive income is presented *(June 2011)*	1 July 2012
IAS 19 Employee Benefits - Amendment resulting from the Post-Employment Benefits and Termination Benefits projects *(as amended in June 2011)*	1 January 2013
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 32 Financial Instruments Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities *(December 2011)*	1 January 2014
IFRS 9 Financial Instruments - Classification and measurement of financial assets *(as amended in December 2011)*	1 January 2015
IFRS 9 Financial Instruments – Accounting for financial liabilities and derecognition *(as amended in December 2011)*	1 January 2015
IFRS 10 Consolidated Financial Statements *(May 2011)*	1 January 2013
IFRS 11 Joint Arrangements *(May 2011)*	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities *(May 2011)*	1 January 2013
IFRS 13 Fair Value Measurement *(May 2011)*	1 January 2013

IFRIC Interpretation

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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:

	2012	2011
	$’000	$’000
Audit fees	7	38
Insurance	58	91
Professional fees	444	1,220
Administration costs	328	196
Staff costs	-	215
Directors’ fees (note 15)	67	98
Sundry expenses	40	217
Total	944	2,075

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 $17,000 (2011: $90,000) arose on the profits 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.

	2012	2011
Loss attributable to shareholders ($’000)	(694)	(1,562)
Weighted average number of ordinary shares in issue (thousands)	138,132	147,564
Basic loss per share	$(0.00)	$(0.01)

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 Dividends

On 1 December 2011 the Company distributed $18.4 million or 8.8 pence per share (2011: nil).

8 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.

	2012	2011
	$'000	$'000
Balance at 1 May 2011	19,510	25,911
Fair value adjustment	(3,010)	(6,401)
Balance at 30 April 2012	16,500	19,510

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 gave Unialco S/A the option to purchase the Group'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. 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, however the option was not exercised and therefore expired. The market value on 25 August 2011 of the 13,863,929 shares which were surrendered on that date amounted to US$2,974,000. As the Company's obligations under the Share Option Agreement fell away upon expiry, this amount has been recognised as a gain in the profit or loss.

Fair value of the Group's investment in Unialco is based on the terms of the 1 June 2012 sale agreement with Unialco SA, for CEB's interest in Unialco MS for $16.5 million payable in cash by 15 September 2014. As at 15 October 2012, $7.5m has been received from Unialco MS.

9 Share capital

	2012		2011	
Ordinary shares of 1pence each	**Number of shares**	**Value £'000**	**Number of shares**	**Value £'000**
Issued	133,700,000	1,337	147,563,929	1,475
Authorised	600,000,000	6,000	600,000,000	6,000

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

As described in note 8, on 25 August 2011, Unialco S/A irrevocably surrendered it's holding of 13,863,929 shares as consideration for the option to acquire Unialco MS. The shares were taken into treasury and subsequently cancelled following the AGM on 29 November 2011, thereby reducing the number of shares in issue to 133,700,000.

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 2012.

Group capital comprises share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

10 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 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%
Pantanal Agro Industrial Ltda.	Brazil	100%
CEB Brasil Planejamento Empresarial Ltda.	Brazil	100%

11 Capital commitments

The Group has no capital commitments as at 30 April 2012 (2011: nil).

12 Related party transactions

The secretary of the Company during the year and up to the date of the report was Philip Scales. Philip Scales is a Director of the Administrator, IOMA Fund and Investment Management Limited, ("IOMAFIM"). During the year, IOMAFIM received fees of $105,000 (2011: $119,000). The amount outstanding as at year end is $9,000 (2011: $ 9,000).

13 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 seek to 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 $347,000 (2011: $22,042,000).

At 30 April 2012, 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 $17,000 (2011: $1,102,000).

(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 2012	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Investments at fair value through profit or loss	-	-	-	-	-	16,500	16,500
Trade and other receivables	-	-	-	-	-	345	345
Cash and cash equivalents	1,146	-	-	-	-	-	1,146
Total financial assets	1,146	-	-	-	-	16,845	17,991
Financial liabilities							
Trade and other payables	-	-	-	-	-	297	297
Total financial liabilities	-	-	-	-	-	297	297
Total interest rate sensitivity gap	1,146	-	-	-	-		

30 April 2011	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'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	-	-	-	-		

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 2012 (2011: 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 $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Over 5 years $'000	No stated maturity $'000
30 April 2012						
Trade and other payables	297	-	-	-	-	-
Total	297	-	-	-	-	-
30 April 2011						
Trade and other payables	350	-	-	-	-	-
Total	350	-	-	-	-	-

14 Net asset value (NAV)

The NAV per share of the Group 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.

	2012	2011
Net assets	$17,781,000	$40,015,000
Number of shares in issue (note 9)	133,700,000	147,563,929
NAV per share	$0.13	$0.27

15 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:

	2012 $'000	2011 $'000
Jossef (Yossi) Barath	13	25
Timothy Walker (Audit Committee Chairman)	54	63
Marcelo Schunn Diniz Junqueira	-	10
	67	98

16 Subsequent events

On 1 June 2012 CEB entered into a sale agreement with Unialco SA, the majority shareholder in Unialco MS, for CEB's interest in Unialco MS for $16.5 million payable in cash by 15 September 2014. The investment in Unialco MS has been stated at this amount in the balance sheet as at 30 April 2012. As at 15 October 2012, $7.5m has been received from Unialco MS.

Directory

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

Company registration number - 117766C

Directors:
Josef (Yossi) Raucher - (Chairman)
Timothy Walker - (Audit Committee Chairman)
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
Isle of Man
British Isles

Website:
www.cleanenergybrazil.com

General Enquiries:
Email: info@cleanenergybrazil.com