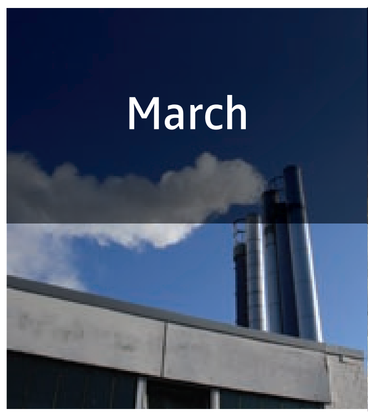
camco

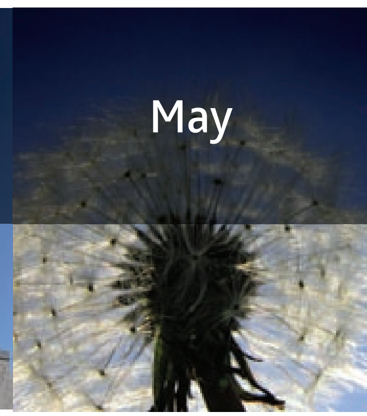
2008 Annual Report

2008 Accomplishments

- Carbon
- Advisory
- Investments



- Camco is voted 'Best Project Developer 2008' by Point Carbon for the second consecutive year.
- Camco conducts GHG emission assessment for the US Democratic National Convention in Denver, Colorado.



- Camco completes the acquisition of ClearWorld Energy Ventures Limited. The acquisition is key to the creation of Camco's Ventures business in China.

- Camco's Edinburgh Centre for Carbon Management completes 1,000th emission assessment.

- Camco completes its first spot sale of 151,288 Certified Emission Reductions from its "in specie" carbon credit portfolio.
- Camco sells Dallas Clean Energy LLC, its landfill gas recovery facility making a 21% pre-tax return (30% annualised) for shareholders.
- Camco successfully auctions a portfolio of 5.8 million Certified Emission Reductions from nine projects.

- Camco receives planning permission approval for Maerdy Windfarm.
- Camco launches EPLabel Online, a government-approved online software tool to provide a low-cost, total solution for UK Public Authorities who must comply with Display Energy Certificate regulations.

- Camco completes the acquisition of the 49% minority interest in ESD Sinosphere, the Chinese subsidiary of ESD.

- Camco continues to progress its project development activities in the US with the signed agreement to qualify and commercialise a significant number of carbon credits for Ag Business Solutions, a leading US dairy management company.
- Camco continues to move projects through the Clean Development Mechanism registration process with 59% of the CER portfolio registered as at end December.

Contents

" Achieving a maiden profit against the current economic backdrop has been a significant achievement for the Company. We have established a business that will deliver recurring cash flows in the years ahead with a large number of projects now through the UN registration process. While 2009 will be a challenging year, our healthy cash position and global platform mean that Camco is well placed to move beyond the current adverse impact on climate change businesses. "

Jeff Kenna

CEO

Chairman's**statement**

David Potter
Chairman
March 2009

I am pleased to report a first time profit for Camco in the year to 31 December 2008. Camco has attained profitability whilst continuing to invest in the growth of its global climate change and sustainable development platform. We end 2008 with no significant debt and €27.0 million in cash.

We have integrated and rebranded as Camco, ESD in the UK, Africa and Bulgaria, Bradshaw Consulting, ESD Sinosphere and ClearWorld Energy Ventures in China. The former ESD remains central to the value of Camco's Carbon and Advisory businesses and continues to produce opportunities for our business. We are now able to deliver an extensive range of carbon reduction-related products and services for clients worldwide who are seeking to manage their growing carbon assets and liabilities. By uniting these distinct but complementary services under one banner, we will be able to deliver an extensive range of carbon reduction-related products and services, devising customised solutions for clients worldwide who are seeking to manage their growing carbon liabilities.

Advances in the macro policy environment continue to look promising for the growth of the business. The election of Barack Obama is likely to herald the emergence of the United States (US) as a lead participant in post-2012 negotiations to reduce greenhouse gas (GHG) emissions. Recent announcements by the US administration indicate that a planned cap and trade scheme would generate approximately US$650 billion in government income between 2012 and 2019 indicating the magnitude of the opportunity in the US market. Europe has reaffirmed its commitment to tackling climate change and the 2008 United Nations Climate Change conference in Poznan produced some significant decisions. The UK now requires large non-energy intensive organisations to manage their carbon emissions through the Carbon Reduction Commitment.

Through these policy discussions it has become clear that the next key objective remains evolving the relationship between the developed and developing world over reduction targets and technology transfer. This will be an enormous part of the international post-2012 solution. Camco's presence in both developing and developed countries, along with its internal policy and strategy unit that tracks and contributes to climate change policies worldwide, places it at the centre of these initiatives with the capability to facilitate and profit from the results.

The carbon markets are highly exposed to the downturn impacting the global economy. Prices for CERs have fallen from a high of €23 in the summer of 2008 to recent lows of below €10. We expect prices for CERs to remain volatile during a recessionary environment.

Despite the recent volatility, Camco believes that the €15 carbon price estimated at the time of AIM admission remains a realistic expectation as an average for the period to 2012. We remain firm in our belief that the role of cap and trade systems will continue to expand globally and that regulators will produce systems that result in an increase in the carbon price in the medium term. However, we must remain cautious with our costs and disciplined with our investment initiatives to ensure the value we have created is delivered to shareholders.

Our global platform, high quality staff and strong cash position have placed the business in a good position for 2009. We will continue to push our projects through the Clean Development Mechanism (CDM) registration process and work with partners in our key markets to identify new projects. Our investment activities, bolstered by the acquisition of Clearworld Energy Ventures in China, remain a strategic focus albeit in a challenging economic environment.

We are extremely proud to have achieved our promised maiden profit in 2008 and I would like to congratulate all of our stakeholders who contributed to this result.

Achieved maiden profit in the year to 31 December 2008

Integrated and rebranded all acquisitions under Camco to deliver an extensive suite of carbon reduction products and services to our clients

Strong Company positioning for 2009 with a cash balance of €27 million as at 31 December 2008

About**Camco**

Who we are

Camco is an international leader in identifying and implementing solutions that help businesses address their climate change risks and opportunities.

With a 20-year track record in advisory services and one of the largest and most diversified portfolios of carbon credits, Camco is a premier climate change and sustainable development company.

Our unique service offering is designed to help manage all aspects of our clients' carbon risk, as well as all stages of their carbon management process.

We offer local solutions to global climate change issues. Our team of more than 250 staff in 12 countries provides on the ground project presence and a clear understanding of our clients' local language and culture, as well as energy, climate change and environmental regulations.

Company structure

By bringing together the distinct but complementary business areas of Carbon, Advisory and Investments, we have created a unique proposition to help our clients manage all aspects of their carbon risk.

Our teams collaborate between service groups and countries, sharing technical acumen and commercial expertise, to find the best options that fit our clients' particular circumstances and requirements.

Through our **Carbon** business we have created one of the largest carbon credit portfolios by working closely with companies to identify and develop projects that reduce GHG emissions. Our commercialisation team has created market making structures for the sale and delivery of carbon credits to compliance and voluntary buyers.

Our **Advisory** business draws on specialist technical, strategic, commercial and financial expertise accrued over two decades to deliver sustainable low carbon advice and solutions to our clients. The Advisory team continues to be a strong source of project identification for both the Carbon Credit and Investment businesses.

Through our **Investment** activities, we collaborate with project and technology developers, early stage businesses and investor groups to turn innovative ideas into commercially viable technologies, projects and services.

Carbon

End to end management of the entire carbon project process:

- project identification and development
- qualification through regulatory and voluntary processes
- on-going client support to ensure successful project verification
- structure transactions to commercialise credits
- assist in raising finance

Advisory

Strategic, commercial, financial and technical expertise:

- commercial assessments of climate change risks and opportunities
- GHG emissions analysis and emission monitoring
- software-based benchmarking
- carbon management
- energy efficiency and renewable energy project identification
- advice for executives on transition to a low carbon economy
- climate change and sustainable energy policy and regulatory analysis
- sustainable land use and forestry advice

Investments

Managing and realising investment capital:

- investment into clean technologies, low carbon projects and related services
- management infrastructure, financial structuring, business planning and technical support
- development of new energy management software

Camco is part of an exciting project with AngloGold Ashanti, an international gold producer, to help them achieve their emission reduction targets. Our teams in Africa, the UK and the US are now assessing the risks and opportuniites associated with climate change that could impact their business.

2008inreview

Jeff Kenna, CEO and Scott McGregor, CFO

Financial review

The Company is pleased to have achieved a profit before tax of €2.2 million and a net profit after tax of €1.0 million in line with management expectations (the majority of tax arising is due to the disposal of Dallas Clean Energy LLC). Total revenues for the period to 31 December 2008 were €41.5 million compared with €10.4 million for the year to 31 December 2007.

The Carbon business generated €31.3 million in revenues for the year 2008, up from €2.9 million in 2007. The significant increase reflects the conservative recognition of revenue following the achievement of registration and carbon credit operating status of projects under management during 2008.

The Advisory business delivered €8.8 million in revenues and a segment loss of €0.4 million in difficult trading conditions. The Advisory business continued to improve its working capital position, bringing it in line with standard industry practice. Camco expanded its consulting platform in China by completing the acquisition of the 49% minority interest in ESD Sinosphere Limited.

The Investments business sold the Dallas Clean Energy landfill methane collection and destruction plant for $19.1 million and completed the acquisition of ClearWorld Energy Ventures Limited (CWEV) in China. The acquisition of CWEV provides Camco with a platform for investment in the Chinese market.

As at 31 December 2008 the Company has a net cash balance of €27.0 million. The Directors consider the Company to be in a strong financial position from which to continue its growth and market development strategy.

Camco significantly increased its cash balance from €20.6 million at the beginning of 2008 to €27 million by year end, placing it in a strong position for 2009.

Company review

The Company has recently reorganised its management and organisational structure in line with its expanded service offering.

The Company has reorganised into three independent business units: Carbon, Advisory and Investments. The Carbon business unit manages our carbon emission projects. The Advisory business unit consolidates the company's former consultancy businesses. The Investment business unit will incorporate Camco's Ventures activities and will refocus these activities on co-investment in projects and associated businesses that produce carbon credits.

Carbon review

The Carbon business unit enjoyed a strong year with significant business development, continued project validation and registration, and the successful commercialisation of a portfolio of carbon credits.

The contracted portfolio comprised 155.3m tonnes (Adjusted Project Design Document (PDD)) / 100.1m tonnes (Risk Adjusted) at 31 December 2008. Camco has continued working with project owners to form longer term joint ventures extending beyond 2012. The average purchase price per tonne for the in specie portfolio declined from €8.06 per tonne to €7.92 per tonne as a result of the registration and de-risking of projects with low purchase prices.

The year has been significant for establishing Camco's reputation for achieving project registrations under the CDM. The year to 31 December 2008 saw a further 20.4m tonnes (Risk Adjusted) registered. Registrations accelerated towards the end of 2008 providing encouraging signs of improvement in the administrative constraints that impacted project registration earlier in 2008. Carbon deliveries totalled 2.8m tonnes for the year to 31 December 2008, with a change in the composition of credits being delivered in 2006 and 2007 from Verified Emission Reductions (VERs) to CERs in 2008. This trend will continue as the CDM portfolio matures in 2009.

The groundbreaking Fuxin coal mine methane (CMM) and coal bed methane (CBM) project in Liaoning province, China, was registered on 9 January 2009, making it the world's first CBM CDM project. Fuxin is registered to reduce over 2.5 million tCO_2e before the end of 2012 and uses a UN approved methodology that was originally authored by Camco.

Carbon review (continued)

20.4m tonnes (Risk Adjusted) registered in 2008

Significant carbon credit transaction in August 2008 delivering an upfront, non recourse payment of €15 million

Camco added a commercialisation and structuring capacity that enhanced the Company's ability to generate revenue through structured sales. This led to the successful commercialisation of a portfolio of carbon credits announced on 28 August 2008. The portfolio was placed with leading international compliance buyers. Under the deal CERs were delivered to the buyers on a non guaranteed basis at a fixed price per CER, and Camco received an upfront, non-recourse cash payment of €15.0 million. The sale of a second carbon asset portfolio was deferred. Further, spot sales from projects were also undertaken.

The carbon development business in the United States continues to grow. In December 2008 Camco signed a carbon development agreement with a leading US dairy management company to develop six ag methane projects that are anticipated to yield significant GHG reductions for the sector. This tonnage is in addition to the ag methane project that Camco has already qualified and is commercialising in the US.

Outlook for 2009

Carbon deliveries anticipated in 2009 will provide recurring, sustainable cash flows. The delivery and commercialisation of these carbon credits is an important step in executing the business plan outlined at the time of admission to AIM. These deliveries will continue to grow with a significant increase anticipated in 2010 and 2011.

Capitalising on its successful monetisation strategy, Camco intends to complete structured carbon credit transactions when optimal to maximise value. The market price for primary carbon credits together with reduced competition in the market provides Camco with new business development opportunities using innovative deal structures.

The following tables outline and define the component parts of Camco's carbon portfolio and include disclosure of the Risk Adjusted and Adjusted PDD tonnes under management.

Table 1. Portfolio classifications

Portfolio classification	Definition
Adjusted PDD	Includes PDD forecasts with adjustments downwards for known operational variances for some projects that had undergone a first verification. Projects contracted but assessed by Camco as currently unlikely to become operational are not included.
Risk Adjusted	Fully risked delivery estimate reflecting known and anticipated regulatory, registration, verification, delay, operating and commercial risks across all projects in Camco's portfolio.

Table 2 - CDM Registered Tonnes (Risk Adjusted)

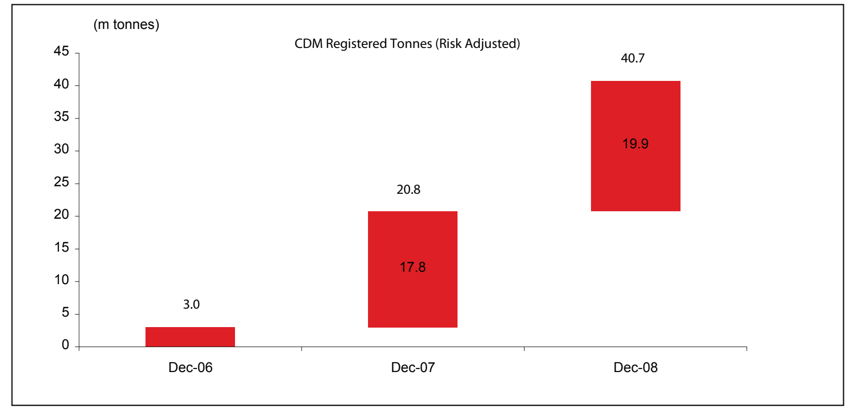


Table 3 - Overview of Camco's carbon credit portfolio by contract type

Contract structure	31 Dec 08	31 Dec 08
	Adjusted PDD	Risked
	(m tonnes)[2]	(m tonnes)
Carbon share	122.6	76.3
Carbon share held in specie [1]	48.4	30.7
Cash share	26.0	17.2
VERs	6.7	6.6

1. Carbon share held in specie refers to the portion of the carbon asset portfolio over which Camco has an interest.
2. Prior to validation or determination of official PDD forecasts, PDD numbers reflect Camco's current anticipated project delivery.

Table 4 - Summary of Camco's carbon credit portfolio by stage

Progress through stage[1]	31 Dec 08	31 Dec 08
	Adjusted PDD[3]	Risked
	(m tonnes)	(m tonnes)
Contracted	155.3	100.1
PDD complete	123.2	77.4
Host LoA	94.6	56.9
Validated	83.4	50.8
Submitted for registration	76.6	46.1
Registered	67.7	40.4
1st verification[2]	22.1	16.1
Issued	5.5	5.5
Financed	122.2	81.9
Under construction	117.4	78.6
Operational	97.5	64.9

1. CDM stage or equivalent for JI and VER projects.
2. Projects that have been through a minimum of one verification process or equivalent.
3. Prior to validation or determination, PDD numbers reflect Camco's current anticipated project delivery.

Advisory review

Achieved Milestone completion of more than 1,000 carbon emission assessments for clients.

Camco's Advisory business has performed well considering the extremely difficult trading conditions.

The UK Advisory business has a material exposure to the construction industry through the provision of sustainable design services for new construction. The economic downturn in the UK has seen a significant contraction in this market. In China, reductions in foreign investment have resulted in less than anticipated due diligence consulting assignments. Against this backdrop the Advisory business is restructuring and redeploying its workforce. For example, in the UK the introduction of the Carbon Reduction Commitment (CRC) is creating demand for core advisory services amongst new and existing clients. Moreover, demand for advisory services and its complement of software solutions, which focus on areas such as energy efficiency, industrial energy and resource management and other cost savings, have remained buoyant.

The Consultancy business has been rebranded Advisory to better reflect the expanded and diverse services now being offered to clients. The Advisory business's expansion has been focused on markets where strong demand for its services has been proven. The wider range of services is allowing for stronger relationships with customers and increasing revenue per customer. The Advisory business has continued to see benefits from knowledge sharing and training between offices.

Outlook for 2009

The Advisory business will continue to manage costs to achieve break even for the whole business against a difficult operating environment in the UK. The business will continue to grow in China and the integration of the various elements of the consulting business will expose cross selling opportunities.

Camco has established a corporate-level partnership with Siemens to provide a diverse set of carbon management services. To date, Camco has identified more than 9,000 tonnes of potential emission reductions for nine Siemens' sites in the UK, which equates to overall emission reductions of 16% and cost savings to the company of £2 million per year.

Investments review

Camco Investments deploys, manages and realises capital for Camco and external investors. The Investment business is focused on financing projects that reduce carbon emissions and on selective investments in businesses with proven clean technologies and strong business plans.

The year to 31 December 2008 heralded some exciting developments for the Investment business. On 18 August 2008, the sale at a profit of Camco's US investment, Dallas Clean Energy, demonstrated the Company's ability to create value in its Investment activities. The business was acquired on 3 December 2007 for US$13.1 million and sold approximately nine months later for US$19.1 million.

Camco owns 10% of renewable energy developer, Renewable Energy Partnership (REP). In 2008 REP reached a successful milestone with planning approval received for its Maerdy Windfarm in South Wales. The planned development is for eight 3MW turbines with estimated electricity generation of 64,000 megawatt hours (MWh) per year.

The acquisition of Clearworld Energy Ventures (now Camco Investments China) in May 2008 significantly expanded the Investment business's capability in China. Camco Investments in China will build on the leading market position of the Camco brand name and enable the Company to create value through investments in underlying project assets, technologies and related businesses.

Outlook for 2009

Camco will continue to expand and refocus its Investment business activities, drawing on the specialist expertise of its Advisory and Carbon businesses to generate attractive investment opportunities globally. The Company will seek to divest non core Investment businesses where appropriate value can be achieved. The Company will focus investment activities on the core markets of the US and China.

Through our investment in Renewable Energy Partnerships, Camco is supporting the development of the 24 MW Maerdy Windfarm in South Wales, which, when complete, will generate enough clean electricity to power 13,600 homes per year.

Trade associations

Camco actively contributes to climate change and sustainable development policies through its involvement in trade associations worldwide.

Camco is a member of the following associations:

International

International Emissions Trading Association (IETA)
Carbon Markets and Investors Association (CMIA)
Project Developers Forum (PDF)
Joint Implementation Action Group (JIAG)
Carbon Capture and Storage Association
International Solar Energy Society (ISES)

UK

UK Green Buildings Council
Existing Homes Alliance
Zero Carbon Hub
Royal Institute of British Architects Sustainable Futures Group

Africa

Solar Energy Society of South Africa
Green Building Council of South Africa
Kenya Renewable Energy Association
Solar Energy Network (SolarNet)
Kenya Parliamentary Network on Renewable Energy and Climate Change
South Africa CDM Industry Association
Kenya Forest Working Group
Kenya Charcoal Working Group
East Africa Association
Tanzania Solar Energy Association

US

Coalition for Emission Reduction Projects (CERP)

China

China New Energy Chamber of Commerce
51SIM

Market insight

Camco is a well known thought leader on carbon and sustainable development policies, providing practical advice to national and local governments, as well as companies worldwide.

In 2008, Camco wrote or contributed to a number of papers and consultation processes:

Deforestation and its impact on climate change and biodiversity loss

In response to the European Commission's consultation process. The paper was submitted to the European Commission, UK Government and several trade associations in which Camco is a member (IETA and CMIA, UK Defra).

Offsets: Balancing Certainty with Effectiveness – Camco's experience and Recommendations

Made available to the UK Government (Defra), as well as a wider public audience, including the California Air Resources Board (CARB), responsible for designing the California Climate Action Plan.

Land use change: marginalisation, smallholders and incentives for change

Presented at the Conference of Parties/Meeting of Parties in Poznan, Poland.

Comments on the draft design of the Regional Cap-and-Trade Program

Submitted to the Western Climate Initiative. Response on the proposed Enhanced Barrier Analysis for CDM. Co-authored with CMIA and submitted to the UNFCCC.

Scope of the offset market and the federal governments role in regulating the market

Response to the US Government Accountability Office

Corporatesocial**responsibility**

Where we stand

Camco is committed to creating a sustainable low carbon society. In order to achieve our vision, we actively participate in both internal and external projects that contribute to a reduction in our global carbon footprint, develop our people, or enhance sustainable development in our local communities.

Our environment

Camco's carbon footprint for 2008 was 1,658 tonnes CO_2e, a net decrease of 5% from our 2007 footprint, and a 27% decrease in emissions per employee. As part of the Company's efforts to reduce energy and resource use, it installed video conferencing systems in its larger offices in 2008 to decrease employee travel between offices. Total air miles travelled in 2008 decreased by 26% from 2007, a reduction of nearly 1.5 million miles.

Camco purchased carbon credits from Plan Vivo projects to offset all remaining emissions. Plan Vivo projects are located in Latin America and Africa, and promote environmental protection, education, local capacity building and poverty relief.

Our people

Camco takes pride in its workforce. We recognise that it is the combined skills, knowledge and experience of our employees that enable Camco to be progressive and successful in tackling climate change and promoting sustainable development.

Camco's policies are designed to build a sense of purpose, cohesion and community within the workplace. The Company aims to create conditions where both employees and customers are valued and is committed to workplace diversity, reward and recognition, work life balance, learning and development, and health and safety.

Our community

Camco strongly supports the creation of sustainable low carbon societies in the communities in which we operate. Each year, local offices identify projects that they would like to support. Camco contributes to these selected projects through cash contributions and pro-bono consulting services.

In 2008, our team in China raised €10,000 for the Red Cross China Earthquake appeal, which Camco then matched. Our team in Kenya participated in the 6th Standard Chartered Nairobi International Marathon, where all proceeds went to people with eye problems in Africa. In Russia we donated office equipment to a school in Arkhangelsk. Across the Company, employees were encouraged to complete a staff satisfaction survey with a contribution of €5 per survey going to the International Red Cross and Red Crescent.

Employees from Camco's China office raised RMB100,000 (€10,000) for the Red Cross China Earthquake appeal, which the Company matched.

Camco's Kenya office participated in the 6th Nairobi International Marathon to provide aid to people with eye problems in Africa.

Camco raised more than €1,000 for the International Red Cross and Red Crescent by incentivising all staff to complete a staff satisfaction survey in exchange for a contribution of €5 per survey going to the charities.

Board of Directors


David Potter


Dr Jeff Kenna


Scott McGregor


Michael Farrow


Dr Herta von Stiegel

David Potter Chairman and Non Executive Director

David Potter has been the Chairman and Non-executive Director of several listed companies. His work in the City sector has extended to over 35 years with Investec, Guinness Mahon, Midland Bank & Samuel Montagu (now HSBC) and CSFB. David has been the Chairman of our Board of Directors at Camco since February 2006. He has an MA (Hons) in Politics, Philosophy and Economics from Oxford University and is a Fellow of King's College London.

Dr Jeff Kenna Chief Executive Officer

Jeff Kenna has 30 years' experience managing small and medium sized enterprises in the sustainable energy sector, from incubation to full commercial development. Jeff has worked on low carbon projects in Europe, Africa, Asia and the United States, providing strategic assessment for businesses, energy policy analysis and evaluation of clean energy technologies. He has been an adviser to the European Commission, the World Bank, the UN and the UK government on energy policy and market growth. Jeff is a founder of Camco and has been a member of our Board of Directors since February 2006, firstly as a non-Executive and then as CEO from April 2007. He was a founder and managing director of ESD from 1989. Jeff has a PhD in Solar Energy from the University of Wales and a BSc in Applied Physics from the University of Bath.

Scott McGregor Chief Financial Officer

Scott McGregor has worldwide experience in the mining, finance and technology industries with strong experience in fund raising and strategic development within early-stage and high growth companies. Scott has been a member of Camco's Board of Directors since March 2006 and has advised leading corporations in North America and Europe on environmental initiatives. Scott was previously CFO at Oxegen Inc, a technology ASP, and more recently a Corporate Development Manager at Skype. Scott has an MBA from the London Business School, a B.Econ from Monash University and is qualified as a Chartered Accountant through PriceWaterhouseCoopers.

Michael Farrow Non Executive Director

Michael Farrow is a Principal and Director of Consortia Partnership Limited, a Jersey licensed trust company. He currently sits on the boards of a number of listed companies and substantial private funds. He has also been Group Company Secretary of Cater Allen Jersey, a banking, trustee and investment management group. Michael has been a member of Camco's Board of Directors since March 2006 and is a member of the Audit and Nomination Committees, and also the Chairman of the Remuneration Committee. Michael was formerly an Army Officer and holds an MSc in Corporate Governance. He is also a Fellow of the Chartered Institute of Secretaries and Administrators.

Dr Herta von Stiegel Non Executive Director

Herta von Stiegel is Executive Chairman of Ariya Capital Group, a private equity firm focusing on sustainable investments in Africa. Through senior positions at Citibank and JP Morgan as well as a Managing Director role at AIG Financial Products and a more recent role at American International Group Inc , Herta has extensive experience in building profitable and regulated structured finance businesses. She holds a Juris Doctor degree from Thomas M. Cooley Law School in Michigan, a Masters of Law degree in Taxation from New York University School of Law and a B.A. from Andrews University. Herta serves on several boards in the corporate and not-for-profit sectors, including Opportunity International, a global microfinance organisation with multiple financial services subsidiaries.

Company**information**

Executive Directors
Dr Jeff Kenna
Scott McGregor

Non-Executive Directors
David Potter
Michael Farrow
Dr Herta von Stiegel

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Consortia Partnership Limited
Christopher McFadyen

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Camco International Limited
Annual report and consolidated financial statements
for the year ended 31 December 2008
Jersey registered 92432

Financialreview**2008**

Directors' report

The Directors submit their report and financial statements for the year ended 31 December 2008 (the "period").

Tax and company status

Camco International Limited (the "Company") is a public company admitted to the London Stock Exchange's Alternative Investment Market ("AIM"). The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 as a registered public company and regulated by the Jersey Financial Services Commission ("JFSC"). The Company has applied for and been granted tax exempt status by the Jersey Comptroller of Income Tax for the period. Effective 1 January 2009, Jersey's tax regime will change, the effect of this is limited to the change of status from exempt to liable to Jersey income tax at 0%. The Company will apply for and expects to be granted this status for future periods.

Principal activity

The principal activity of the Company and its subsidiaries (together the "Group") is to identify and develop greenhouse gas emission reduction projects and provide carbon and sustainable development consultancy services, including emissions assessment, carbon management and strategy and policy work.

Performance during the period

The financial statements of the Group and Company for the period appear on pages 29 to 65.

The profit before and after tax attributable to equity holders for the period is €2,226,000 and €1,023,000 respectively. The Directors do not recommend the payment of a dividend for the period.

During the period, the Company commercialised a carbon credit portfolio of 5.8m certified emission reductions ("CERs") from a group of projects to Standard Bank Plc for which a payment on account of €15 million cash was received. The Group disposed of Dallas Clean Energy landfill methane collection and destruction plant for €13 million. Further, the Group acquired ClearWorld Energy Ventures Limited and completed the acquisition of the 49% minority interest in ESD Sinosphere Limited.

In addition, the Company continued its core business of consulting to develop Carbon Development Contracts ("CDCs") under the Kyoto Protocol. The Group delivered its first carbon credits from its *in specie* portfolio in August 2008.

The profit in the period is in line with the Directors' expectations.

Financial position at the end of the period

The Directors have carried out a full impairment review of the assets and liabilities of the Group in order to satisfy themselves that the current disparity between the market capitalisation of the Group and net assets of the Group is justified.

The major assets of the Group are prepayments and accrued income of €29 million, cash net of overdraft of €26 million, goodwill of €14 million and work in progress – carbon development contracts of €8 million. Note 36 sets out in detail the review process undertaken.

At the period end the Company had 26 direct or indirect significant subsidiaries and the Group had an average of 248 employees in the period.

The Company had no material interest bearing debt in the period and the Directors considered that financial gearing was not suitable for the Group during this investment and business expansion period. The advisory business takes out loans and borrowings to fund working capital. The Directors consider the Group to be in a strong financial position from which to continue its growth and market development strategy.

Future developments

The Group will continue to develop its carbon credit portfolio of projects over the remaining Kyoto period and expand its business into North America.

Operations

The Group operates through a network of offices in Europe, Africa, Asia and North America. In general, these offices do not enter into CDCs but provide marketing, origination and advisory services to the Company to enable it to do so. Once the Company has entered into CDCs the offices may also provide management services in respect of these contracts.

Directors' interests

Details of Directors' interests in the Company's shares are shown in note 35. Save as shown in note 35, no Director had any disclosable interest in the shares of the Company or its subsidiaries during the period.

Corporate governance

The Directors are committed to a high standard of corporate governance for which they are accountable to stakeholders and particularly shareholders. The Group and Company applies, having regard to its size and nature, and so far as it considers practical and appropriate, the principles contained in Part 1 of the Combined Code appended to the Listing Rules published by the UK Listing Authority. The Company continues to monitor developments in the area of corporate governance.

The Board

The Board is ultimately responsible for the effectiveness of the Group's system of internal control. The roles and responsibilities of the Board and senior management are clearly defined and regularly reviewed. The Board includes an appropriate balance of executive and non-executive Directors and meets formally four times a year and on such other occasions as required by the demands of the business. It is supplied with information by senior management in a timely and accurate manner, appropriate to enable it to discharge its duties of reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions.

The roles of the Chairman and the Chief Executive Officer

The division of responsibilities between Chairman of the Board and the Chief Executive Officer is clearly defined. Their responsibilities are outlined below.

The Chairman

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman has no involvement in the day-to-day business of the Group. The Chairman facilitates the effective contribution of non-executive Directors and manages constructive relations between non-executive and executive Directors. The Chairman ensures that regular reports from the Company's brokers are circulated to the non-executive Directors to enable non-executive Directors to remain aware of shareholders' views. The Chairman ensures effective communication with the Company's shareholders.

The Chief Executive Officer

The Chief Executive Officer has direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group. The Chief Executive Officer has formed a Management Committee to enable him to carry out the responsibilities delegated to him by the Board. The Management Committee comprises all executive Directors and senior managers from each business region. The Management Committee meet on a regular basis to consider operational matters and implement the Group's strategy.

The Directors

David Potter	Non-executive Chairman	Appointed 21 February 2006
Scott McGregor	Chief Financial Officer	Appointed 16 March 2006
Jeffrey Kenna	Chief Executive Officer	Appointed 1 April 2007
Michael Farrow	Non-executive	Appointed 16 March 2006
Herta von Stiegel	Non-executive	Appointed 16 March 2006

The Board's Committees

The Board has formally established three committees in accordance with the Combined Code to provide oversight to support the proper governance of the Company, these are outlined below.

The Audit Committee

The Audit Committee comprises Herta von Stiegel (Chairman), Michael Farrow and David Potter who are all non-executive Directors.

The Committee is responsible for the following functions recommended by the Combined Code including:

- Review of the annual financial statements and interim reports prior to approval, focusing on changes in accounting polices and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
- Receive and consider reports on internal financial controls, including reports from the auditors and report their findings to the Board;
- Consider the appointment of the auditors and their remuneration including reviewing and monitoring of independence and objectivity;
- Meet with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise;
- Develop and implement policy on the engagement of the external auditor to supply non-audit services;
- Review the Group's corporate review procedures and any statement on internal control prior to endorsement by the Board;
- Responsibility for a study and review of risk management process and making recommendations to the Board; and
- Review the requirement for an internal audit function.

The Remuneration Committee

The Remuneration Committee comprises Michael Farrow (Chairman), Herta von Stiegel and David Potter who are all non-executive Directors.

The Committee has the following key duties:

- Reviewing and recommending the emoluments, pension entitlements and other benefits of the executive Directors and as appropriate other senior executives; and
- Reviewing the operation of share option schemes and Long Term Incentive Plans and the granting of such options.

The Nomination Committee

The Nomination Committee comprises David Potter (Chairman), Michael Farrow and Herta von Stiegel who are all non-executive Directors.

The Committee is responsible for considering all potential appointments to the Board and to make suitable proposals to the Board in relation to potential appointments.

The Company Secretary

The Company Secretary is Consortia Partnership Limited, a Jersey-based limited liability company regulated by the Jersey Financial Services Commission. Michael Farrow is a Director of this company.

Relations with shareholders

The Company provides shareholders and stakeholders with relevant information in a timely and balanced manner. We understand and respect the rights of shareholders, will convene Annual General Meetings in full consideration of these rights, and encourage full participation of both institutional and private investors.

Internal control

The Audit Committee is responsible on behalf of the Board for the Group's system of internal control and has taken into account the relevant provisions of the Combined Code in formulating the systems and procedures in operation by the Group. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide only reasonable and not absolute assurance against material misstatement or loss. The Board is aware of the need to conduct regular risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Group. The Board will conduct a formal risk assessment on an annual basis but will also report by exception on any material changes during the year.

Risk assessment

In determining what constitutes a sound system of internal control the Board considers:

- The nature and extent of the risks regarded as acceptable for the Company to bear within its particular business;
- The threat of such risks becoming reality;
- The Company's ability to reduce the incidence and impact on business if the risk crystallises;
- The costs and benefits resulting from operating relevant controls; and
- Recommendations from the Audit Committee as part of its overall responsibility for risk.

Policies

Through the regular meetings of the Board and the schedule of matters reserved for the Board's committees, the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority. For each financial period, the Board considers and approves a strategic plan and financial budget. In addition, there are established procedures and processes for planning and controlling expenditure and making investments.

Processes

- Review of monthly management accounts with comparison of actual performance against budget; and consideration of the outturn for the year;
- Monthly reconciliation of all control accounts;
- Approval by the Board is required for major investments outside the budget;
- Segregation of duties between relevant functions and departments; and
- All financial commitments entered into for which there is a commitment which extends beyond a single calendar year must be approved by the Board.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business reviews on pages 9 to 13. The financial position of the Group is described in the Financial review on page 8. In addition notes 25 & 26 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with long-term relationships with a number of customers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquires the Directors are satisfied that the Group and the Company have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Audit information

Each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of such information.

Auditors

On 2 May 2008 the Company resolved to reappoint KPMG Audit Plc as the Group's auditors for the year-ended 31 December 2008.

By Order of the Board

Christopher McFadyen

Consortia Partnership Limited
Company Secretary

Registered Office:
Channel House
Green Street
St Helier
JE2 4UH

5 April 2009

Composition and terms of reference

Report of the Remuneration Committee

The Remuneration Committee was established on admission to AIM on 25 April 2006 and comprises only independent non-executive Directors. Its members during the period were Michael Farrow (Chairman), Herta von Stiegel and David Potter. The Committee's terms of reference take into account the provisions of the Combined Code for smaller companies and ensure that processes designed to retain and remunerate the executive Directors and management are consistent with current best practice.

Directors' remuneration policy

Executive Directors

The Company's policy for executive Directors is to provide remuneration and other benefits sufficient to attract, retain and motivate executives of the calibre required. Total remuneration includes salary, performance related bonuses, share options and long-term incentives. Bonuses are provided at the discretion of the Remuneration Committee and are performance related. Share options and long-term incentives are provided to motivate and retain executive Director's services.

Non-executive Directors

The Company's policy for non-executive Directors (including the Chairman) is to pay fees which are competitive with fees paid by other similar AIM listed companies of commensurate size and growth prospects. Non-executives are not currently eligible for bonuses, share options, long-term incentives, pensions or performance related remuneration.

Directors' remuneration during the period

	2008 Salaries and fees €'000	2008 Performance bonus €'000	2008 Pension contribution €'000	2008 Total €'000
Executive Directors				
Scott McGregor	188	77	9	274
Jeffrey Kenna	225	-	11	236
Non-executive Directors				
David Potter	81	-	-	81
Michael Farrow	41	-	-	41
Herta von Stiegel	41	-	-	41
Total	576	77	20	673

	2007 Salaries and fees €'000	2007 Performance bonus €'000	2007 Pension contribution €'000	2007 Termination payment €'000	2007 Total €'000
Executive Directors					
Tristan Fischer	22	-	8	862	892
Scott McGregor	156	67	9	-	232
Alexander Westlake	105	-	-	-	105
Jeffrey Kenna	153	64	8	-	225
Non-executive Directors					
David Potter	85	-	-	-	85
Michael Farrow	43	-	-	-	43
Herta von Stiegel	43	-	-	-	43
Jeffrey Kenna	9	-	-	-	9
Total	616	131	25	862	1,634

Report of the Remuneration Committee (continued)

Defined contribution retirement benefit plan

The Group operates a defined contribution retirement benefit plan for qualifying Directors. The assets of this plan are held separately from those of the Group. The only obligation of the Group is to make the contributions.

Long-Term Incentive Plan (the "LTIP")

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting periods after 31 December 2008 and upon certain market and non-market performance conditions being met for reporting periods ending 31 December 2008, 2009 & 2010.

The purpose of the LTIP is to incentivise Directors and employees to ensure profit and share price performance targets are met over the vesting period. The LTIP will align Director's objectives with those of the shareholders.

The LTIP will vest at different levels depending on the Company's share price performance as compared with comparator groups and industry comparables over the vesting period. The comparator groups consist of a basket of SmallCap companies at the grant date (adjusted for mergers, demergers and delistings during the performance period) and a basket of companies in the same sector. The Company's percentage rank is its rank in a comparator group divided by the number of companies in the group at the end of the performance period expressed as a percentage.

The LTIP will vest at differing levels at the discretion of the Remuneration Committee depending on the achievement of profit targets and performance as compared with comparator groups over the vesting period.

	At 31 December 2007			At 31 December 2008	
	Share awards outstanding	Granted	Forfeited	Share awards outstanding	Price payable (per share)
	Number	Number	Number	Number	€
Scott McGregor	1,558,785	-	-	**1,558,785**	**0.01**
Jeffrey Kenna	2,597,974	-	-	**2,597,974**	**0.01**
	4,156,759	-	-	**4,156,759**	

The Company's share price at the end of the year was £0.21 (€0.21). The highest share price in the year was £0.62 (€0.76) and the lowest £0.08 (€0.09). LTIP awards are scheduled to vest annually after audited results for each 2008, 2009 and 2010 financial year results are confirmed.

Directors' service contracts

Non-executive Directors, including the Chairman, hold office under the Company's Articles of Association and do not have service contracts. The Chairman is entitled to 6 months notice prior to termination of his appointment. The other non-executive Directors are entitled to 3 months notice prior to termination of their appointment. Following these notice periods there is no further entitlement to compensation or other benefits.

The Group's policy is that executive Directors' notice periods should not exceed one year. Scott McGregor and Jeffrey Kenna have employment contracts with the Group dated 16 March 2006 and 30 April 2007 and are terminable with 3 months notice and 6 months notice respectively given by the Group or employee. There are no provisions for compensation for early termination of these contracts, with the exception of change of role in the event of a merger or acquisition.

Audit

The tables in this report have been audited by KPMG Audit Plc.

By Order of the Board

Michael Farrow
Chairman, The Remuneration Committee
5 April 2009

Statement of Directors' responsibilities

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 Group and parent Company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare Group financial statements in accordance with IFRSs as adopted by the EU and applicable laws and have elected to prepare the parent Company financial statements on the same basis.

The Group and parent Company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Group and the parent Company and the performance for that period; the Companies (Jersey) Law 1991 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the 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 enable them to ensure that its financial statements comply with Companies (Jersey) Law 1991. They have a 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 in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Camco International Limited

We have audited the Group and parent Company financial statements of Camco International Limited for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated and parent Company Balance Sheets, the Consolidated and parent Company Cash Flow statements and the Consolidated Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Report of the Remuneration Committee that is described as having been audited, which the directors have decided to prepare (in addition to that required to be prepared) as if the Company were required to comply with the requirements of Schedule 7A to the United Kingdom Companies Act 1985.

This report is made solely to the Company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 27, the Company's Directors are responsible for preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991 and whether the part of the Report of the Remuneration Committee to be audited has been properly prepared as if the Company were required to comply with the requirements of Schedule 7A of the Companies Act 1985.

In addition we report to you if, in our opinion, the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2008 and of its profit for the year ended 31 December 2008;
- The parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the parent Company's affairs as at 31 December 2008;
- The financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991;
- The information given in the Directors' Report is consistent with the financial statements; and
- The part of the Report of the Remuneration Committee which we were engaged to audit has been properly prepared having regard to Schedule 7A to the United Kingdom Companies Act 1985, as if those requirements were to apply to the Company.

KPMG Audit Plc

Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB

5 April 2009

Income statement and Statement of recognised income and expense

Consolidated income statement

for the year ended 31 December 2008

		2008	2007
Continuing operations	Notes	**€'000**	**€'000**
Revenue	3	**41,463**	10,444
Cost of sales		**(16,486)**	(4,349)
Gross profit	2	**24,977**	6,095
Other income - net gain on disposal of investment	4	**3,766**	-
Other income - negative goodwill arising on acquisition	4	**267**	-
Administration expenses	5	**(24,832)**	(16,900)
Other expense - net loss on fund establishment costs	5	**(1,614)**	-
Profit/(loss) from operations		**2,564**	(10,805)
Finance income	9	**1,070**	1,171
Finance expense	9	**(1,408)**	(2,582)
Profit/(loss) before tax		**2,226**	(12,216)
Taxation	10	**(1,203)**	126
Profit/(loss) after tax		**1,023**	(12,090)
Attributable to:			
Equity holders of the Company		**1,134**	(12,131)
Minority shareholders		**(111)**	41
Profit/(loss) for the year		**1,023**	(12,090)
Basic and diluted profit/(loss) per share in € cents			
Basic	11	**0.62**	(8.18)
Diluted	11	**0.60**	(8.18)

The results stated above are all derived from continuing operations.

Consolidated statement of recognised income and expense

for the year ended 31 December 2008

	2008	2007
	€'000	**€'000**
Profit/(loss) for the year	**1,023**	(12,090)
Exchange differences on translation of foreign operations	**(741)**	337
Total recognised income and expense for the year	**282**	(11,753)
Analysed to:		
Equity holders of the Company	**393**	(11,794)
Minority interest in subsidiary companies	**(111)**	41
	282	(11,753)

The notes on pages 32 to 65 form an integral part of these consolidated financial statements.

Balance sheets

Consolidated and Company balance sheets

as at 31 December 2008

	Notes	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Assets					
Non-current assets					
Property, plant and equipment	12	**1,282**	1,606	**132**	106
Goodwill on acquisition	13	**14,120**	14,413	**-**	-
Other intangible assets	13	**1,794**	1,463	**-**	-
Investments in subsidiaries	16	**-**	-	**17,226**	18,020
Other investments	18	**209**	275	**-**	-
Deferred tax assets	10	**292**	414	**-**	-
Total non-current assets		**17,697**	18,171	**17,358**	18,126
Current assets					
Work in progress - carbon development contracts	20	**8,490**	13,302	**5,639**	8,642
Prepayments and accrued income	21	**28,545**	3,277	**26,595**	1,917
Trade and other receivables	22	**5,529**	5,678	**8,729**	15,078
Cash and cash equivalents	23	**27,064**	20,552	**26,059**	19,098
Assets classified as held for sale	19	**-**	8,512	**-**	-
Total current assets		**69,628**	51,321	**67,022**	44,735
Total assets		**87,325**	69,492	**84,380**	62,861
Liabilities					
Current liabilities					
Current tax liability		**(1,413)**	(917)	**-**	-
Trade and other payables	24	**(23,767)**	(5,759)	**(19,941)**	(1,172)
Loans and borrowing	27	**(1,426)**	(1,293)	**-**	-
Deferred consideration	29	**(702)**	(1,861)	**-**	-
Liabilities classified as held for sale	19	**-**	(143)	**-**	-
Total current liabilities		**(27,308)**	(9,973)	**(19,941)**	(1,172)
Non-current liabilities					
Loans and borrowing	27	**(75)**	(297)	**-**	-
Provisions	28	**-**	(203)	**-**	-
Deferred consideration	29	**(48)**	(375)	**-**	-
Deferred tax liabilities	10	**(315)**	(409)	**-**	-
Total non-current liabilities		**(438)**	(1,284)	**-**	-
Total liabilities		**(27,746)**	(11,257)	**(19,941)**	(1,172)
Net assets		**59,579**	58,235	**64,439**	61,689
Equity					
Share capital	30	**1,675**	1,662	**1,675**	1,662
Share premium	31	**71,619**	70,997	**71,619**	70,997
Share-based payment reserve	31	**2,751**	2,567	**2,751**	2,567
Retained earnings	31	**(14,972)**	(16,106)	**(10,436)**	(12,266)
Translation reserve	31	**(426)**	315	**-**	-
Own shares	31	**(1,170)**	(1,271)	**(1,170)**	(1,271)
Minority interest	31	**102**	71	**-**	-
Total equity		**59,579**	58,235	**64,439**	61,689

The notes on pages 32 to 65 form an integral part of these consolidated financial statements.
These financial statements were approved by the Board of Directors on 5 April 2009 and were signed on its behalf by:

Scott McGregor
Chief Financial Officer
Director

Cash flow statements

Consolidated and Company cash flow statements

for the year ended 31 December 2008

	Notes	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Cash flow from operating activities					
Revenue, payments on account and deferred income received		**30,539**	8,573	**20,579**	2,919
Cash paid to suppliers		**(20,664)**	(12,298)	**(9,328)**	(8,015)
Cash paid to employees		**(13,257)**	(8,468)	**(586)**	(120)
Interest received		**935**	1,254	**779**	1,228
Interest paid		**(83)**	(72)	**(1)**	-
Service fees paid to subsidiaries		**-**	-	**(7,793)**	(5,626)
Income tax paid		**(790)**	(72)	**-**	-
Net cash flow from operating activities		**(3,320)**	(11,083)	**3,650**	(9,614)
Cash flow from investing activities					
Disposal of investment, net cash disposed of		**11,182**	-	**-**	-
Payment for acquisition of subsidiaries	14, 15, 29	**(348)**	(5,295)	**(27)**	(4,710)
Net cash/(overdraft) acquired with subsidiaries	14, 15, 29	**55**	(985)	**-**	-
Payment for purchase of property, plant and equipment		**(621)**	(1,187)	**(101)**	(12)
Payment for asset held for sale		**-**	(8,369)	**-**	-
Net cash flow from investing activities		**10,268**	(15,836)	**(128)**	(4,722)
Cash flow from financing activities					
Loans repaid/(made) to subsidiaries		**-**	-	**4,744**	(12,560)
Capital contribution paid		**-**	-	**(864)**	-
Repayment of loans and borrowing		**(163)**	-	**-**	-
Proceeds from issuance of shares		**-**	24,280	**-**	24,280
Costs of raising capital		**-**	(357)	**-**	(357)
Payment of finance lease liabilities		**(242)**	(201)	**-**	-
Net cash flow from financing activities		**(405)**	23,722	**3,880**	11,363
Change in cash and cash equivalents and bank overdraft		**6,543**	(3,197)	**7,402**	(2,973)
Opening cash and cash equivalents and bank overdraft		**19,613**	24,719	**19,098**	24,063
Effect of exchange rate fluctuations		**(1)**	(1,909)	**(441)**	(1,992)
Closing cash and cash equivalents and bank overdraft	23	**26,155**	19,613	**26,059**	19,098

The notes on pages 32 to 65 form an integral part of these consolidated financial statements.

1 Significant accounting policies

Camco International Limited (the "Company") is a public company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of its registered office is Channel House, Green Street, St Helier, Jersey JE2 4UH. The consolidated financial statements of the Company for the year ended 31 December 2008 comprise the Company, its subsidiaries and associates and jointly controlled entities (together the "Group"). Separate financial statements of the Company are also presented. The accounting policies of the Company are the same as for the Group except where separately disclosed.

The Company is admitted to the Alternative Investment Market ("AIM") of the London Stock Exchange.

A Statement of compliance

These consolidated and separate financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ("adopted IFRS").

These consolidated and separate financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991.

These consolidated and separate financial statements were approved by the Board on 5 April 2009.

B Basis of preparation

The financial statements are presented in Euros, the functional currency of the Company, rounded to the nearest thousand Euros.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below and note 36.

The accounting policies set out below have been applied consistently to the period presented in these consolidated financial statements. The accounting policies have been consistently applied across all Group entities for the purposes of producing these consolidated financial statements.

The financial statements have been prepared on the historical cost basis and on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business reviews on pages 9 to 13. The financial position of the Group is described in the Financial review on page 8. In addition notes 25 and 26 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

C Accounting for Carbon Development Contracts ("CDCs")

The Group enters into CDCs with clients from which carbon credits are produced. Carbon credits under the Kyoto Protocol, also known as Certified Emission Reductions ("CERs") or Emission Reduction Units ("ERUs") are generated through the highly regulated Carbon Development Mechanism ("CDM") and Joint Implementation ("JI") processes respectively. These follow a number of steps including the approval of the project methodology and monitoring procedures, project design, project approval by the Designated National Authority ("DNA"), project validation by a Designated Operational Entity or equivalent ("DOE"), project acceptance by the host country, registration, verification and certification by a DOE. Verification of carbon credit production takes place at least once a year during the production period. The Group works with the client at all stages of the process using proprietary knowledge and experience to negotiate this complex process. Carbon credits are also generated outside the Kyoto Protocol under voluntary or regional emission reduction schemes.

Revenue recognition on CDC consultancy services

The Group derives revenue from the provision of consultancy services to carbon project clients under CDCs. The Group receives payment for the services by either commission or non cash carbon credit contracts. Revenue from CDCs is only recognised once the Group's services to secure the production of carbon credits are significantly complete and their receipt can be forecast reliably. Revenue is recognised once a CDC is registered by a DOE and the carbon credit project is operational. Carbon credits may be generated over subsequent periods as they are issued. The amount and timing of commission or carbon credits to be received may be dependent upon the number of carbon credits received by the customers, which is determined by assessing the specific technical, contract and economic risks identified on the project.

Revenue is recognised at the fair value of the consideration receivable from the contracts, at which point accrued income is recognised. The fair value is the estimated net value of the carbon credits to be received, which is dependent upon the expected number to be delivered and the intrinsic value. If the expected number or value of the carbon credits subsequently changes an adjustment is made to the accrued income balance with an associated credit or debit taken to revenue. The unwinding of any financing element of accrued income is recognised as finance income or expense.

The CDCs are scheduled to deliver the majority of carbon credits over the 2008-2012 phase of the Kyoto Protocol.

Treatment of CDC costs

In light of developments in the market for carbon credits and the start of the 2008-2012 phase of the Kyoto protocol, the Directors have reconsidered the operating cycle and have concluded that the CDC costs are now better presented under current assets as work in progress and the comparatives have been represented.

CDCs acquired by the Group are recorded initially at cost (or fair value if through business combination).

Subsequently, the directly attributable costs are added to the carrying amount of CDCs. These costs are only carried forward to the extent that they are expected to be recouped through the successful completion of the contracts. The costs comprise consultancy fees, license costs, technical work and directly attributable administrative costs. All other costs are expensed as incurred. CDC costs carried as work in progress are stated at the lower of cost and net realisable value.

Once the revenue recognition criteria on these contracts are met the CDC costs incurred on them are expensed in full.

D Revenue recognition on other consultancy services

Advisory revenue from consultancy services provided is recognised in the income statement in proportion to the stage of completion of the consultancy contract. The stage of completion is assessed by reference to the overall contract value.

E Goodwill on acquisition

Subsidiary

Goodwill on acquisition of a subsidiary represents the excess of the costs of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Minority interest

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the fair value of the interest in the net assets acquired at the date of exchange.

F Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are recognised in profit or loss as incurred. Other development expenditure is recognised in profit or loss as incurred.

1 Significant accounting policies (continued)

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets
Other intangible assets are considered to have a finite life and are stated at cost less accumulated amortisation. Amortisation is charged to the income statement on a straight line basis over the expected life of the asset.

G Property, plant and equipment

Computer and office equipment
Computer and office equipment is held at historical cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight line basis over the estimated useful life of three years.

Leasehold improvements
Leasehold improvements are held at historical cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight line basis over the remaining life of the lease.

H Investments in subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment.

I Impairment

The carrying amounts of the Group's property, plant and equipment, goodwill on acquisition and other intangibles are reviewed at least annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For assets that have an indefinite useful life the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. The recoverable amount is the greater of the fair value less cost to sell and the value in use. Value in use is calculated as the present value of estimated future cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation and amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill on acquisition is not reversed.

J Discontinued operations

A discontinued operation is a component of the Group's business that is held for sale which was acquired exclusively with a view to resale. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

K Assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the Group of assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the group of assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

L Foreign exchange

Foreign currency transactions
Transactions in currencies different from the functional currency of the Group entity entering into the transaction are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the 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.

Financial statements of non-Euro operations
The assets and liabilities of operations whose functional currency is not the Euro, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the balance sheet date. The revenues and expenses of these operations are translated at rates approximating to the exchange rates ruling at the dates of the transactions. Exchange differences arising on retranslation of foreign operations are recognised directly in a separate component of equity, the translation reserve, and are released upon disposal of the non-Euro operation.

M Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

N Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

O Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The Company has applied for and been granted 'exempt' company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961, as amended, for the calendar year ended 31 December 2008 and intends to apply at the appropriate time for similar status for subsequent calendar years.

P Employee benefits

Camco International Limited 2006 Executive Share Plan
The Group has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Group to acquire shares in the Company. For all grants of share options, the fair value as at the date of the grant is calculated using an appropriate option valuation model taking into account the terms and conditions upon which the options were granted and the corresponding expense is recognised as an employee expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options.

Long-Term Incentive Plan
The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors) under a Long-Term Incentive Plan. These are measured at fair value at the date of grant, which is then recognised in the income statement on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model (Black-Scholes). In valuing equity-settled transactions, no account is taken of any vesting conditions, other than market conditions linked to the price of the shares of the Company. The charge is adjusted at each balance sheet date to reflect the actual number of shares expected to vest based on non-market performance conditions such as Group profit targets and employment service conditions. The movement in cumulative charges since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

Defined contribution scheme
In the UK, the Group operates two defined contribution retirement benefit plans for qualifying employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Q Own shares held by the Employee Benefit Trust ("EBT")

Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the parent company and Group financial statements. In particular, the EBT's purchases of shares in the Company are debited directly to equity.

R Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) which is subject to risks and rewards that are different from those of other segments.

S Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

T Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases and the leased assets are not recognised on the Group's balance sheet.

1 Significant accounting policies (continued)

U Finance income and expense

Finance income comprises interest income on surplus funds. Interest income is recognised as it accrues in profit or loss using the effective interest method.

Finance expenses comprise interest expense on borrowings, finance leases and unwinding of the discount on provisions. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses arising from a group of similar transactions are reported on a net basis.

V Provisions

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

W New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations endorsed by the EU are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements:

- Amendments to IAS 1 'Presentation of Financial Statements': A revised presentation (mandatory for the year commencing on or after 1 January 2009). Revised IAS 1 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1 is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2009 consolidated financial statements.
- Amendments to IFRS 2 'Share based payment': Vesting Conditions and Cancellations (mandatory for the year commencing on or after 1 January 2009) is not expected to have any impact on the consolidated financial statements.
- Improvements to IFRSs (2007) (mandatory for the year commencing on or after 1 January 2009) is not expected to have any impact on the consolidated financial statements.
- Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (mandatory for the year commencing on or after 1 January 2009) is not expected to have any impact on the consolidated financial statements.

Accounting standards applied for the first time

IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8 requires the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Previously, the Group presented segment information in respect of its business and geographical segments (note 2). Under the management approach, the Group will present segment information in respect of Advisory, Investments and Carbon (note 2).

2 Segmental Reporting

Segment information is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

- **Carbon:** CDC consultancy services provided on carbon asset development, commercialisation and portfolio management.
- **Advisory:** The Group's advisory consulting practice providing clients with low carbon energy and sustainable development solutions.
- **Investments:** Enters into partnerships with project and technology developers to commercialise climate change mitigation technologies and develop project assets.

Business segments

	Carbon		Advisory		Investments		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	**31,340**	2,875	**8,027**	6,924	**2,096**	645	**-**	-	**41,463**	10,444
Inter-segment revenue		-	**809**	496		-	**(809)**	(496)	**-**	-
Total segment revenue	**31,340**	2,875	**8,836**	7,420	**2,096**	645	**(809)**	(496)	**41,463**	10,444
Segment gross profit	**17,372**	1,090	**7,389**	5,148	**1,025**	353	**(809)**	(496)	**24,977**	6,095
Segment result	**7,884**	(6,026)	**(437)**	406	**1,279**	(776)	**-**	-	**8,726**	(6,396)
Unallocated expenses									**(5,487)**	(2,381)
Share-based payments									**(675)**	(2,028)
Results from operating activities									**2,564**	(10,805)
Net finance (expense)/ income									**(338)**	(1,411)
Taxation									**(1,203)**	126
Profit/(loss) for the period									**1,023**	(12,090)
Segment assets	**70,272**	45,321	**13,266**	20,729	**2,712**	146	**-**	-	**86,250**	66,196
Other investments		-		-	**209**	275	**-**	-	**209**	275
Unallocated assets									**866**	3,021
Total assets									**87,325**	69,492
Segment liabilities	**(22,178)**	(3,190)	**(3,073)**	(4,377)	**(2,015)**	(997)	**-**	-	**(27,266)**	(8,564)
Unallocated liabilities									**(480)**	(2,693)
Total liabilities									**(27,746)**	(11,257)
Capital expenditure	**462**	1,028	**401**	335	**-**	25		-	**863**	1,388
Depreciation	**390**	169	**330**	210	**6**	-		-	**726**	379
Amortisation of intangible assets	**-**	-	**337**	222	**-**	-		-	**337**	222
Impairment losses of intangible assets and property, plant and equipment	**-**	153	**-**	-	**167**	-		-	**167**	153

3 Revenue

Revenue is derived as follows.

	2008 €'000	2007 €'000
Carbon	31,340	2,875
Advisory	8,027	6,924
Investments	2,096	645
Revenue	**41,463**	10,444

4 Other income

Net gain on disposal of investment

On 18 August 2008, the Company sold its entire interest in Dallas Clean Energy LLC (the landfill methane collection and destruction plant) for cash consideration of €13,092,000. The assets and liabilities of this investment had previously been reported with assets and liabilities held for sale.

	2008 €'000	2007 €'000
Disposal proceeds	13,092	-
Net assets disposed	(9,326)	-
Net gain on disposal of investment	**3,766**	-

Due to United States withholding tax rules, 10% (€1,303,000) of the disposal proceeds were withheld by the IRS on disposal. A tax computation will be filed and the appropriate amount of capital gains tax will be paid with the remainder of the withheld amount recovered. A provision for capital gains tax has been recognised in relation to this sale.

Negative goodwill arising on acquisition

During the year negative goodwill arose on a business combination (note 29).

	2008 €'000	2007 €'000
MCF Finance and Consulting Co. Ltd	267	-

5 Total administration expenses

Total administration expenses are analysed below.

	2008 €'000	2007 €'000
Depreciation of property, plant and equipment - owned assets	504	232
Depreciation of property, plant and equipment - leased assets	222	147
Share-based payments	675	2,028
Amortisation of intangible assets	337	222
Impairment losses of intangible assets	167	-
Other administration expenses	22,927	14,271
Administration expenses	24,832	16,900
Other expense - net loss on fund establishment costs	1,614	-
Total administration expenses	**26,446**	16,900

Services provided by the Group's auditor

During the year the Group obtained the following services from the Company's auditors, KPMG Audit Plc and its associates.

	2008 €'000	2007 €'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	212	220
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries	195	106
Non audit related services	12	-
Total services	**419**	326

Fees payable to the Company's auditor for the audit of the Company's annual accounts includes a charge of €49,000 (2007: €55,000) for the review of the Group's interim financial report.

Non audit services

These services are those that could be provided by a number of firms. Work is only allocated to the auditors if it is regarded by the Audit Committee that it does not impact the independence of the audit team.

6 Staff costs

	2008 €'000	2007 €'000
Wages and salaries	11,561	7,401
Payroll taxes	1,002	674
Share-based payment cost (note 7)	675	2,028
Pension costs	296	171
Staff costs	**13,534**	10,274

The average number of employees during the year was 248 (2007: 147).

Wages and salaries shown above include salaries paid in the period and bonuses relating to the period. These costs are charged within administration expenses.

7 Share-based payments

During the year, the Group operated two share-based incentive plans for its employees, the Camco International Limited 2006 Executive Share Plan (the "Plan") and the Long-Term Incentive Plan (the "LTIP"). The charge for each scheme and other share-based payments for the period is as follows.

	2008 €'000	2007 €'000
Camco International Limited 2006 Executive Share Plan	**189**	473
Long-Term Incentive Plan	**404**	294
Employee bonus paid in shares	**82**	553
Ordinary shares issued	**-**	708
Share-based payments	**675**	2,028

Camco International Limited 2006 Executive Share Plan

Under the Plan the Company, or the trustee of the Employee Benefit Trust ("EBT"), made awards of share options or conditional rights to receive shares to selected Directors or key employees of the Company or its subsidiaries. During the period, the remaining awards in the Plan vested and were exercised. There were no outstanding awards at year-end and the scheme is considered closed.

Purpose

The purpose of the Plan was to reward Directors and key employees for services provided pre-admission to AIM and to retain their services over the vesting period. The past services resulted in the successful flotation of the Company on the AIM market.

Service condition

The service condition stipulated that the Director or key employee must provide continuous service over the vesting period.

The number of awards made to Directors and key employees and amounts payable per share are set out below.

	At 31 December 2006		At 31 December 2007		At 31 December 2008	
	Share awards outstanding Number	Vested and exercised in year Number	Share awards outstanding Number	Vested and exercised in year Number	Share awards outstanding Number	Price payable (per share) €
Directors	642,858	(642,858)	-	**-**	**-**	**0.05**
Key employees	3,015,000	(955,000)	2,060,000	**(2,060,000)**	**-**	**0.01**
	3,657,858	(1,597,858)	2,060,000	**(2,060,000)**	**-**	

Options were granted to individual Directors and key employees at various dates between 10 February and 14 March 2006. No new options were granted in the period and no options lapsed in the period. The options have an expiry date 10 years following date of grant. All outstanding options vested and were exercised in the period. The weighted average share price at date of exercise was €0.59.

The fair value of each share option at grant is determined based on the Black-Scholes formula. The inputs to this model were as follows:

	2008	2007
Share price at grant (€ cents)	**34.7**	34.7
Weighted average fair value of option (€ cents)	**33.2**	33.2
Weighted average exercise price (€ cents)	**1.7**	1.7
Average expected volatility (%)	**40.2%**	40.2%
Expected life (years)	**2.0**	2.0
Average risk free rate (%)	**4.54%**	4.54%
Average expected dividend yield (%)	**-**	-

The expected volatility was determined using the historical volatility of Camco International Limited's share price over the period since listing on AIM.

Long-Term Incentive Plan

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting periods after 31 December 2008, 2009 & 2010 and upon certain market and non-market performance conditions being met for the reporting periods ending 31 December 2008, 2009 & 2010.

Purpose

The purpose of the LTIP is to incentivise Directors and employees to ensure profit and share price performance targets are met over the vesting periods, the first of which ends following approval of the audited financial statements for the year ended 31 December 2008. The LTIP will align management's objectives with those of the shareholders.

Market-based performance condition

The LTIP will vest at different levels depending on the Company's share price performance as compared with comparator groups over the vesting period. The comparator groups consist of a basket of SmallCap companies at the grant date (adjusted for mergers, demergers and delistings during the performance period). The Company's percentage rank is its rank in a comparator group divided by the number of companies in the group at the end of the performance period expressed as a percentage.

Non-market performance conditions

The LTIP will vest at differing levels depending on the achievement of profit targets over the vesting periods. The employee or Director must remain employed by the Group throughout the entire vesting period in order to remain entitled to LTIP shares.

The LTIP shares are valued by multiplying the market price of the Company's ordinary shares at date of grant with a number of weighting factors that reflect the expected outcome given the criteria set out in the performance conditions. The market-based performance condition uses the Company's and comparator group's historic share price data to predict the most likely future percentage rank. The market-based performance condition is not updated at each valuation date. The non-market-based performance conditions (profit and service) use management's forecasts to estimate the likely outcome under the LTIP rules. The non-market-based weighting factors are updated at each valuation date to include all relevant actual information.

	2008 Number of shares	2007 Number of shares
Outstanding at start of the period	**8,454,785**	6,506,759
Granted	**2,008,474**	4,155,000
Forfeited	**(508,570)**	(2,206,974)
Outstanding at end of the period	**9,954,689**	8,454,785

	2008	2007
Weighted average share price at grant (€ cents)	**69.2**	52.0
Weighted average fair value of option (€ cents)	**17.0**	17.0
Exercise price (€ cents)	**1.0**	1.0
Weighted average life at grant (years)	**2.2**	2.1

The shares outstanding at the end of the period have a remaining contractual life ranging from 0 to 2 years.

Employee bonus paid in shares

This charge represents the best estimate of the fair value of shares to be issued in respect of 2007 and 2008 employee bonuses. The charge is based on the market value of the shares on the bonus award date.

Notes to the financial statements (continued)

8 Retirement benefit obligation

Defined contribution plans

In the UK, the Group operates two defined contribution retirement benefit plans for qualifying employees. The assets of these plans are held separately from those of the Group. The only obligation of the Group is to make the contributions.

The total expense recognised in the income statement is €296,000 (2007: €171,000), which represents the contributions paid to the plans. There were no outstanding payments due to the plans at the balance sheet date.

9 Net finance income

	2008 €'000	2007 €'000
Finance income		
Interest on bank deposits	**754**	1,171
Unwinding of discount on accrued revenue	**163**	-
Exchange movements - realised	**153**	-
	1,070	1,171
Finance expense		
Unwinding of discount on deferred consideration (note 29)	**(108)**	(97)
Interest on overdraft and borrowings	**(81)**	(72)
Interest on finance lease creditor	**(22)**	(22)
Other interest	**(438)**	-
Exchange movements - unrealised	**(731)**	(2,256)
Exchange movements - realised	**(28)**	(135)
	(1,408)	(2,582)
Net finance income	**(338)**	(1,411)

10 Taxation

	2008 €'000	2007 €'000
Current tax		
Jersey corporation tax	**-**	-
Foreign tax	**(1,297)**	63
	(1,297)	63
Deferred tax		
Movement in deferred tax liabilities	**94**	63
Total income tax in the income statement	**(1,203)**	126

Reconciliation of income taxes in the income statement

The tax charge for the period is different to the exempt rate (0%) of corporation tax in Jersey and the differences are explained below.

	2008 €'000	2007 €'000
Profit/(loss) before tax	**2,226**	(12,216)
Profit before tax multiplied by exempt rate of corporation tax in Jersey (0%)	**-**	-
Effects of:		
Effects of tax rates in foreign jurisdictions	**(1,297)**	(113)
Current year losses offset against pre-acquisition gains	**-**	176
Change in temporary timing differences	**94**	63
Total income taxes in the income statement	**(1,203)**	126

The Company has applied for and been granted tax exempt status by the Jersey Comptroller of Income Tax for the period. The Company will apply for and expects to be granted similar tax exempt status for future periods.

The Company's subsidiaries carry on business in other tax regimes where the corporation tax rate is not zero. At 31 December 2008, the Group had tax losses carried forward for utilisation in future periods amounted to €1,719,000 (2007: €2,007,000). Within subsidiaries where future profits are expected to arise deferred tax assets have been recognised. However, in other subsidiaries, due to the uncertainty as to the timing and extent of future profits no deferred tax assets have been recognised in respect of these tax losses carried forward.

Deferred tax

Deferred tax assets, liabilities and movements in the period are shown as follows.

	Group 2008 €'000	Group 2007 €'000
Deferred tax asset at 1 January 2008 & 2007	**414**	-
Arising on acquisition of CAS* in respect of losses carried forward	**-**	414
Foreign exchange movement	**(122)**	-
Deferred tax asset 31 December 2008 & 2007	**292**	414

	Group 2008 €'000	Group 2007 €'000
Deferred tax liability at 1 January 2008 & 2007	**(409)**	-
Arising on acquisition of intangible assets	**-**	(472)
Utilised in the period	**94**	63
Foreign exchange movement	**-**	-
Deferred tax liability 31 December 2008 & 2007	**(315)**	(409)

* Camco Advisory Services Limited (formerly Energy For Sustainable Development Limited).

11 Profit/(loss) per share

Profit/(loss) per share attributable to equity holders of the Company is calculated as follows.

	2008 € cents per share	2007 € cents per share
Basic profit/(loss) per share	0.62	(8.18)
Diluted profit/(loss) per share	0.60	(8.18)

Profit/(loss) used in calculation of basic and diluted profit(/loss) per share - no dilutive effects (€'000)	1,023	(12,090)
Weighted average number of shares used in calculation - basic	165,314,890	147,762,389
Weighted average number of shares used in calculation - diluted	171,061,611	147,762,389

Weighted average number of shares used in calculation - basic	Company 2008 Number	Company 2007 Number
Number in issue at 1 January 2008 & 2007	166,151,068	129,898,733
Effect of own shares held	(3,470,476)	(4,604,407)
Effect of share options exercised	1,750,027	1,255,607
Effect of shares issued in the period	884,271	21,212,456
Weighted average number of basic shares at 31 December 2008 & 2007	165,314,890	147,762,389

Weighted average number of shares used in calculation - diluted	Company 2008 Number	Company 2007 Number
Number in issue at 1 January 2008 & 2007	166,151,068	129,898,733
Effect of own shares held	(3,470,476)	(4,604,407)
Effect of share options exercised	1,750,027	1,255,607
Effect of shares issued in the period	884,271	21,212,456
Dilutive effect of share options granted	3,016,810	-
Dilutive effect of deferred consideration expected to settle in shares	2,729,911	-
Weighted average number of diluted shares at 31 December 2008 & 2007	171,061,611	147,762,389

12 Property, plant and equipment

	Group 2008	Group 2007	Company 2008	Company 2007
Computer and office equipment	€'000	€'000	€'000	€'000
Cost at 1 January 2008 & 2007	1,596	331	161	149
Additions	1,229	1,042	101	12
Disposals	(855)	-	-	-
Acquired through business combinations (note 14)	16	223	-	-
Foreign exchange movements	(426)	-	-	-
Cost at 31 December 2008 & 2007	1,560	1,596	262	161
Accumulated depreciation at 1 January 2008 & 2007	(381)	(27)	(55)	(15)
Charge for the period	(600)	(354)	(75)	(40)
Disposals	1	-	-	-
Foreign exchange movements	287	-	-	-
Accumulated depreciation at 31 December 2008 & 2007	(693)	(381)	(130)	(55)
Net book amount at 1 January 2008 & 2007	1,215	304	106	134
Net book amount at 31 December 2008 & 2007	867	1,215	132	106
Leasehold improvements	€'000	€'000	€'000	€'000
Cost at 1 January 2008 & 2007	416	-	-	-
Additions	150	416	-	-
Cost at 31 December 2008 & 2007	566	416	-	-
Accumulated depreciation at 1 January 2008 & 2007	(25)	-	-	-
Charge for the period	(126)	(25)	-	-
Accumulated depreciation at 31 December	(151)	(25)	-	-
Net book amount at 1 January 2008 & 2007	391	-	-	-
Net book amount at 31 December 2008 & 2007	415	391	-	-
Total property, plant and equipment	€'000	€'000	€'000	€'000
Cost at 1 January 2008 & 2007	2,012	331	161	149
Additions	1,379	1,458	101	12
Disposals	(855)	-	-	-
Acquired through business combinations (note 14)	16	223	-	-
Foreign exchange movements	(426)	-	-	-
Cost at 31 December 2008 & 2007	2,126	2,012	262	161
Accumulated depreciation at 1 January 2008 & 2007	(406)	(27)	(55)	(15)
Charge for the period	(726)	(379)	(75)	(40)
Disposals	1	-	-	-
Foreign exchange movements	287	-	-	-
Accumulated depreciation at 31 December 2008 & 2007	(844)	(406)	(130)	(55)
Net book amount at 1 January 2008 & 2007	1,606	304	106	134
Net book amount at 31 December 2008 & 2007	1,282	1,606	132	106

12 Property, plant and equipment (continued)

Finance leases

The Group leases equipment under a number of finance lease agreements. Some leases provide the Group with the option to purchase the equipment at a beneficial price. Arrangements which are not in the legal form of a lease are still accounted for as such based on their terms and conditions. The leased equipment secures lease obligations. At 31 December 2008 the net carrying amount of leased computer and office equipment was €257,000 (2007: €572,000).

13 Goodwill on acquisition and other intangible assets

	Group 2008	Group 2008	Group 2008	Group 2007	Group 2007	Group 2007
	Goodwill on acquisition	Other intangible assets	Total	Goodwill on acquisition	Other intangible assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost at 1 January 2008 & 2007	14,413	1,685	16,098	1,156	-	1,156
Acquisitions - through business combinations	1,040	882	1,922	13,801	1,685	15,486
Acquisitions - internally developed	-	167	167	-	-	-
Revision to original purchase consideration	(1,333)	-	(1,333)	(1,075)	-	(1,075)
Revision to provisional fair values at acquisition	-	-	-	531	-	531
Foreign exchange movement	-	(214)	(214)	-	-	-
Cost at 31 December 2008 & 2007	14,120	2,520	16,640	14,413	1,685	16,098
Amortisation at 1 January 2008 & 2007	-	(222)	(222)	-	-	-
Amortisation charge	-	(337)	(337)	-	(222)	(222)
Impairment loss	-	(167)	(167)	-	-	-
Amortisation and impairment at 31 December 2008 & 2007	-	(726)	(726)	-	(222)	(222)
Net book value at 1 January 2008 & 2007	14,413	1,463	15,876	1,156	-	1,156
Net book value at 31 December 2008 & 2007	14,120	1,794	15,914	14,413	1,463	15,876

Within the Group's *in specie* carbon portfolio 151,288 CERs were received by the Group during the period in consideration for services provided to carbon project clients under CDCs. The CERs were disposed of immediately upon receipt at cost.

14 Business combinations

ClearWorld Energy Ventures Limited

On 27 May 2008, the Group completed the acquisition of the entire issued share capital of ClearWorld Energy Ventures Limited ("CWEV"). CWEV is primarily engaged in sourcing and developing clean and renewable energy projects in China. The total purchase consideration consisted of 420,125 new ordinary shares of €0.01 each and deferred elements dependent on the company achieving performance targets.

	Acquiree's book values	Provisional fair value adjustments	Provisional acquisition amounts
Fair value of identifiable net liabilities of CWEV at date of acquisition	€'000	€'000	€'000
Property, plant and equipment	16	-	16
Cash and cash equivalents	57	-	57
Trade and other payables	(319)	-	(319)
Net identifiable liabilities acquired	(246)	-	(246)

Net cash out flow to acquire CWEV	€'000
Cash consideration	-
Acquisition costs	27
Cash and cash equivalents acquired	(57)
Net cash (in) flow	(30)

Goodwill recognised on acquisition	€'000
Cash consideration	-
Shares issued (420,125 at 35p per share)	185
Deferred consideration at 30 June 2008	178
Acquisition costs	27
Total purchase consideration	390
Less fair value of identifiable net liabilities acquired	246
Goodwill recognised on acquisition on 27 May 2008	636
Revision to original purchase consideration	(178)
Goodwill recognised on acquisition on 31 December 2008	458

The value placed by the Directors on CWEV's personnel, reputation and synergies gave rise to the goodwill on acquisition. CWEV was established by ClearWorld Energy Limited to source finance for clean energy projects and technology companies. CWEV and its experienced management team will strengthen the Camco brand in the Chinese market enabling the Group to generate substantial value through the development of a funds management business in clean technology. Goodwill acquired has an indefinite useful economic life.

In the period from date of acquisition on 27 May 2008 to 31 December 2008, CWEV recorded a loss of €111,000. If CWEV had been part of the Group from 1 January 2008, management estimates that the recorded loss would have been €134,000 with additional revenue of €nil.

Additional consideration will be paid on an 'earn-out' basis if certain targets are met on fund raising and placement into investments to 2010, up to a maximum of $11,000,000. A further $12,500,000 may be paid, also on an earn-out basis, as a proportion of realised profits from investment exits between 2011 & 2014. The additional consideration is payable in new ordinary shares to be issued at 60p per new ordinary share. At the reporting date, the Directors do not consider it currently probable that any of the deferred consideration will settle.

14 Business combinations (continued)

Re-Fuel Tech Limited

On 1 January 2008, the Group increased its holding in Re-Fuel Tech Limited ("Re-Fuel") from 43% to 75% through the conversion of a loan to equity and an allotment of new ordinary shares in lieu of payment of trade creditors. The increased holding gave rise to a deemed acquisition. The investment was previously accounted for as an associate. Re-Fuel is primarily engaged in developing high efficiency fuel cells and energy storage devices. The purchase consideration consisted of conversion of loan (€282,000) and trade creditors (€211,000) owed to the Group.

Fair value of share of identifiable net assets of Re-Fuel at date of acquisition	Acquiree's book values €'000	Final fair value adjustments €'000	Final acquisition amounts €'000
Intellectual property - fuel cell technology and patents	882	-	882
Trade and other receivables	6	-	6
Overdraft	(2)	-	(2)
Trade and other payables	(14)	-	(14)
Minority interest reserve	(220)	-	(220)
Net identifiable assets acquired	652	-	652

Net cash out flow to acquire Re-Fuel	€'000
Cash consideration paid	-
Overdraft acquired	2
Net cash out flow	2

Goodwill recognised on acquisition	€'000
Original investment	443
Conversion of loan note	282
Payment in lieu of trade creditors	211
Total purchase consideration	936
Less fair value of share of identifiable net assets acquired	(652)
Goodwill recognised on acquisition	284

In the period from date of acquisition on 1 January 2008 to 31 December 2008, Re-Fuel recorded a loss of €237,000 with additional revenue of €nil.

15 Acquisition of minority interests

ESD Sinosphere Limited

On 5 November 2008, the Group acquired the remaining 49% issued share capital of ESD Sinosphere Limited ("ESDS") for €189,000 in cash, bringing the Group's holding to 100%. Acquisition costs amounted to €5,000. The carrying amount of ESDS's net assets on date of acquisition was €74,000. The Group recognised a decrease in minority interests of €74,000 and increase in goodwill of €120,000. ESDS is primarily engaged in the provision of consulting services in the field of climate change science and health and safety in China.

The value placed by the Directors on ESDS's personnel, history, reputation and synergies give rise to the goodwill on acquisition. Goodwill acquired has an indefinite useful economic life.

16 Investments in subsidiaries

	Company 2008 €'000	Company 2007 €'000
Cost at 1 January 2008 & 2007	18,020	4,997
Acquisition through business combinations (note 14)	390	13,775
Revision to original purchase consideration (note 14)	(204)	(755)
Capital contributions made to subsidiaries	1,723	3
Cost at 31 December 2008 & 2007	19,929	18,020
Provision for impairment at 1 January 2008 & 2007	-	-
Impairment of investments in subsidiaries	(2,703)	-
Closing provision for impairment	(2,703)	-
Net book value at 1 January 2008 & 2007	18,020	4,997
Net book value at 31 December 2008 & 2007	17,226	18,020

A full list of significant subsidiaries is provided in note 34.

17 Equity accounted investees and joint ventures

The Group's share of profit in its equity accounted investees and joint ventures for the period was €1,000 (2007: €nil). The Group has not recognised losses relating to any of these entities, totalling €19,000 since acquisition through business combination, since the Group has no obligation in respect of these losses.

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group.

2008	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit €'000
ESD Biomass Limited	Joint venture	50%	3	(80)	(77)	15	(7)	8
Camco International Limited	Joint venture	50%	-	-	-	-	-	-

2007	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Loss €'000
ESD Biomass Limited	Joint venture	50%	20	(115)	(95)	-	(13)	(13)
Re-Fuel Tech Limited	Associate	43%	1,057	(1,115)	(58)	-	(4)	(4)
Camco International Limited	Joint venture	50%	-	-	-	-	-	-

The net book value of each equity accounted investee and joint venture was €nil at 31 December 2008 (2007: €nil).

ESD Biomass Limited has no non-current assets or liabilities. Re-Fuel Tech Limited (previously accounted for as an associate) is now a subsidiary (note 14).

18 Other investments

	Group 2008 €'000	Group 2007 €'000
Cost at 1 January 2008 & 2007	**275**	-
Acquisition through business combinations	-	296
Exchange movements	(66)	(21)
Cost at 31 December 2008 & 2007	**209**	275
Share of loss at 1 January 2008 & 2007	-	-
Share of loss in the period	-	-
Exchange movement	-	-
Share of loss at 31 December	-	-
Net book value at 1 January 2008 & 2007	**275**	-
Net book value at 31 December 2008 & 2007	**209**	275

The available for sale investments held at 31 December 2008 are listed below. The investments are recorded at fair value.

	Holding	€'000	€'000
Other investment			
Renewable Energy Partnerships Ltd	7.50%	206	271
Heliodynamics Ltd	14.08%	3	4
Cost at 31 December 2008 & 2007		**209**	275

The Group has two joint venture investments which have nil or net liabilities hence are not recognised in these financial statements. No provisions have been made in respect of these investments because there is no constructive or legal obligation for the Group to settle any future liabilities on their behalf.

19 Asset and liabilities classified as held for sale

Dallas Clean Energy	2008 €'000	2007 €'000
Property, plant and equipment	-	2,086
Customer relationships and contracts	-	5,736
Prepayments and accrued income	-	690
Assets classified as held for sale	-	8,512
Trade and other payables	-	(143)
Liabilities classified as held for sale	-	(143)

On 18 August 2008, the Company sold its entire interest in Dallas Clean Energy LLC (the landfill methane collection and destruction plant) for cash consideration of €13,092,000 (note 4).

20 Work in progress - carbon development contracts

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Carbon development contracts	**8,490**	13,302	**5,639**	8,642

21 Prepayments and accrued income

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Prepayments	**2,497**	1,135	**2,195**	1,917
Accrued income - CDC accruals	**24,988**	-	**24,400**	-
Accrued income - other accruals	**1,060**	2,142	-	-
Prepayments and accrued income	**28,545**	3,277	**26,595**	1,917

22 Trade and other receivables

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Interest receivable	**28**	218	**28**	218
Trade receivables	**2,932**	3,956	**733**	535
Other receivables	**2,569**	1,203	**290**	663
Amounts due from equity accounted investees, joint ventures & subsidiary undertakings	-	301	**7,678**	13,662
Trade and other receivables	**5,529**	5,678	**8,729**	15,078

23 Cash and cash equivalents

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Cash and cash equivalents	**27,064**	20,552	**26,059**	19,098
Bank overdrafts used for cash management purposes (note 25)	**(909)**	(939)	-	-
Cash and cash equivalents and bank overdraft	**26,155**	19,613	**26,059**	19,098

24 Trade and other payables

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Trade payables and non CDC accruals	5,143	5,525	1,705	1,172
CDC accruals	2,882	-	2,882	-
Payment on account received	15,000	-	15,000	-
Deferred income	742	234	-	-
Amounts due to subsidiary undertakings	-	-	354	-
Trade and other payables	23,767	5,759	19,941	1,172

The Directors consider that the fair value of other accruals approximates to the carrying value of other accruals.

25 Financial risk management

A comprehensive risk management framework is operated by the Group which covers all of the Company's subsidiaries. This framework addresses the following key risks.

Market risk

The carbon market is subject to political and regulatory risk on a national, regional and global basis.

The consequence of the interaction of these frameworks and regulation is that the market price for carbon credits may be significantly affected by demand and supply considerations which leads to large fluctuations in market prices. The Group does not currently actively manage this risk. A €1 movement in the market price for a carbon credit may give rise to a movement in resources over the next five years of up to approximately €40 million based on the current carbon credit portfolio under management by the Group.

Credit risk

The Group's exposure to credit risk arises from the Group's receivables from customers. Credit risk is analysed further in note 26.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to maintain sufficient funds on call to meet these requirements as they fall due with the rest of cash on term deposit in the relevant currencies as set out below. Liquidity risk is analysed further in note 26.

Foreign exchange risk

The Group is exposed to foreign exchange risk on sales, purchases and cash when transactions denominated in a currency other than the functional currency of the Group which is the Euro. The currency exposure on cash held is set out below:

Cash and cash equivalents

	Euro €'000	Sterling €'000	US Dollar €'000	Russian Rouble €'000	Chinese Yuan €'000	South African Rand €'000	Other €'000	Total €'000
Balance at 31 December 2008	26,331	(811)	344	82	163	37	9	26,155
Balance at 31 December 2007	6,646	12,367	29	137	397	27	10	19,613

Interest rate risk

The Group has €909,000 (2007: €939,000) of borrowing in the form of an overdraft over which interest is charged. The Directors consider interest rate risk to be immaterial. The majority of the Group's cash is deposited at a competitive money market rate based on LIBOR.

Fair value of financial assets and liabilities

The Directors are of the view that there is no difference between the carrying values and fair values of the Group's financial assets and liabilities except for deferred consideration which is held at a discount that has unwound by €108,000 (2007: € 97,000).

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. From time to time the Group purchases its own shares on the market primarily to be used for issuing shares under the Group's share option programme. The Group does not have a defined share buy-back plan. The Group is not subject to any externally imposed capital adequacy maintenance requirements.

26 Financial instruments

Credit risk

The Directors consider that the carrying value of certain financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows.

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Trade and other receivables	5,529	5,678	8,729	15,078
Cash on deposit	27,064	20,552	26,059	19,098
	32,593	26,230	34,788	34,176

The maximum exposure to credit risk for trade and other receivables by geographic region is as follows.

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
European countries	2,802	5,228	5,348	14,779
Russian Federation	-	-	2	-
The People's Republic of China	275	269	349	9
United States of America	2,002	-	2,692	-
Africa	450	181	8	-
Other	-	-	330	290
Trade and other receivables	5,529	5,678	8,729	15,078

26 Financial instruments (continued)

Impairment losses

The aging of trade and other receivables at the balance sheet date was as follows.

	Group		Group		Company		Company	
	Gross	Impairment	Gross	Impairment	Gross	Impairment	Gross	Impairment
	2008	2008	2007	2007	2008	2008	2007	2007
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Current	**3,535**	**-**	3,306	-	**8,435**	**-**	15,073	-
Past due under 30 days	**419**	**-**	600	-	**30**	**-**	5	-
Past due between 31 and 120 days	**1,008**	**(5)**	912	-	**47**	**-**	-	-
Past due between 121 days and 1 year	**656**	**(93)**	614	-	**212**	**-**	-	-
Past due more than 1 year	**169**	**(160)**	246	-	**5**	**-**	-	-
	5,787	**(258)**	5,678	-	**8,729**	**-**	15,078	-

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Group	Group	Company	Company
	2008	2007	2008	2007
	€'000	€'000	€'000	€'000
Balance at 1 January 2008 & 2007	**-**	-	**-**	-
Impairment loss recognised	**(258)**	-	**-**	-
Balance at 31 December 2008 & 2007	**(258)**	-	**-**	-

Based on historic default rates, the Group believes that no general impairment allowance is necessary in respect of trade receivables past a certain age.

Liquidity risk

Carbon credit issuance is highly regulated under the Kyoto Protocol. Since the majority of credits will be delivered over the 2008-2012 phase the Group believes it is most appropriate to analyse liquidity risk over the yearly periods corresponding to this.

The Group has structured transactions so that financial liabilities relating to CDCs only fall due upon the issuance of carbon credits. The net impact of this is cash generative so the Group do not regard these amounts as a liquidity risk.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact netting agreements.

Non-derivative financial instruments	Group	Group	Group	Group	Group	Group	Group
	2008	2008	2008	2008	2008	2008	2008
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-3 years	3-4 years	More than 4 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Finance lease liabilities	**235**	**(279)**	**(190)**	**(83)**	**(6)**	**-**	**-**
Secured bank loans	**68**	**(73)**	**(22)**	**(21)**	**(21)**	**(8)**	**-**
Unsecured bank loans	**289**	**(289)**	**(289)**	**-**	**-**	**-**	**-**
Bank overdraft	**909**	**(909)**	**(909)**	**-**	**-**	**-**	**-**
Non CDC trade and other payables	**4,393**	**(4,393)**	**(4,393)**	**-**	**-**	**-**	**-**

Non-derivative financial instruments	Group	Group	Group	Group	Group	Group	Group
	2007	2007	2007	2007	2007	2007	2007
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-3 years	3-4 years	More than 4 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Finance lease liabilities	572	(599)	(268)	(190)	(110)	(31)	-
Secured bank loans	110	(115)	(28)	(23)	(22)	(22)	(20)
Unsecured bank loans	-	-	-	-	-	-	-
Bank overdraft	939	(939)	(939)	-	-	-	-
Non CDC trade and other payables	5,525	(5,525)	(5,525)	-	-	-	-

Non-derivative financial instruments	Company	Company	Company	Company	Company	Company	Company
	2008	2008	2008	2008	2008	2008	2008
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-3 years	3-4 years	More than 4 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Finance lease liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Secured bank loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unsecured bank loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non CDC trade and other payables	**2,059**	**(2,059)**	**(2,059)**	**-**	**-**	**-**	**-**

Non-derivative financial instruments	Company	Company	Company	Company	Company	Company	Company
	2007	2007	2007	2007	2007	2007	2007
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-3 years	3-4 years	More than 4 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Finance lease liabilities	-	-	-	-	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Unsecured bank loans	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
Non CDC trade and other payables	1,172	(1,172)	(1,172)	-	-	-	-

There are no derivative financial instruments. The Group and Company have taken advantage of the own use exemption in relation to carbon credits.

Notes to the financial statements (continued)

27 Loans and borrowings

Non-current liabilities	Currency	Nominal rate	Maturity	Group 2008 €'000	Group 2007 €'000
Secured bank loan				-	-
Finance lease liabilities	GBP	Various	2009-2010	75	297
				75	297

Current liabilities				€'000	€'000
Secured bank overdraft	GBP	Base+2.5%	2009	909	939
Secured bank loan	GBP	Base+3.0%	2009	68	110
Unsecured loan	USD	Various	2009-2010	289	-
Finance lease liabilities	GBP	Various	2009	160	244
				1,426	1,293

28 Provisions

Group	2007 €'000	Movement €'000	2008 €'000
Onerous lease contract	92	(92)	-
Onerous commercial contract	111	(111)	-
	203	(203)	-

Company	€'000	€'000	€'000
	-	-	-

29 Deferred consideration

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Balance at 1 January 2008 & 2007 as restated	2,236	1,814	-	-
Arising from acquisition in the period	178	672	178	-
Revision to original purchase consideration of MCF	(1,423)	-	-	-
Revision to original purchase consideration of CWEV	(204)	(320)	(204)	-
Settled in the period	(127)	-	-	-
Unwinding of discount	108	97	7	-
Exchange movements	(18)	(27)	19	-
Balance at 31 December 2008 & 2007	750	2,236	-	-

During the period, the Directors revised the deferred consideration on the MCF Finance and Consulting Co. Limited ("MCF") acquisition following the decision to settle the consideration in the Company's shares. This lead to a reduction in the final settlement amount of €1,588,000. It also resulted in negative goodwill of €267,000 which has been recognised in the income

30 Issued capital

	2008 Number '000	2008 €'000	2007 Number '000	2007 €'000
Authorised				
Ordinary shares of €0.01	1,250,000	12,500	1,250,000	12,500
Issued and fully paid				
All ordinary shares of €0.01 (all classified in shareholders' funds)				
Issued on 1 January 2008 & 2007	166,151	1,662	129,899	1,299
Issued for cash	-	-	23,589	236
Issued as consideration in business combinations	420	4	11,963	120
Issued for share-based payments	939	9	700	7
Issued at 31 December 2008 & 2007	167,510	1,675	166,151	1,662

31 Equity

	Group 2008 Share capital €'000	Group 2008 Share premium €'000	Group 2008 Share-based payment reserve €'000	Group 2008 Retained earnings €'000	Group 2008 Translation reserve €'000	Group 2008 Own shares €'000	Group 2008 Total equity attributable to shareholders of the Company €'000	Group 2008 Minority interest €'000	Group 2008 Total equity €'000
Balance at 1 January 2008	1,662	70,997	2,567	(16,106)	315	(1,271)	58,164	71	58,235
Total recognised income and expense	-	-	-	1,134	(741)	-	393	(111)	282
Share-based payments	-	-	675	-	-	-	675	-	675
Issuance of shares	13	622	(390)	-	-	-	245	-	245
Own shares	-	-	(101)	-	-	101	-	-	-
Acquisition & settlement of minority interest	-	-	-	-	-	-	-	142	142
Balance at 31 December 2008	1,675	71,619	2,751	(14,972)	(426)	(1,170)	59,477	102	59,579

	Group 2007 Share capital €'000	Group 2007 Share premium €'000	Group 2007 Share-based payment reserve €'000	Group 2007 Retained earnings €'000	Group 2007 Translation reserve €'000	Group 2007 Own shares €'000	Group 2007 Total equity attributable to shareholdersof the Company €'000	Group 2007 Minority interest €'000	Group 2007 Total equity €'000
Balance at 1 January 2007	1,299	36,909	577	(3,975)	(22)	(181)	34,607	-	34,607
Total recognised income and expense	-	-	-	(12,131)	337	-	(11,794)	41	(11,753)
Share-based payments	-	-	2,028	-	-	-	2,028	-	2,028
Issuance of shares	363	34,445	-	-	-	(1,170)	33,638	-	33,638
Costs incurred in the raising of capital	-	(357)	-	-	-	-	(357)	-	(357)
Own shares	-	-	(38)	-	-	80	42	-	42
Acquisition of minority interest	-	-	-	-	-	-	-	30	30
Balance at 31 December 2007	1,662	70,997	2,567	(16,106)	315	(1,271)	58,164	71	58,235

31 Equity (continued)

	Company 2008 Share capital €'000	Company 2008 Share premium €'000	Company 2008 Share-based payment reserve €'000	Company 2008 Retained earnings €'000	Company 2008 Own shares €'000	Company 2008 Total equity €'000
Balance at 1 January 2008	1,662	70,997	2,567	(12,266)	(1,271)	61,689
Total recognised income and expense	-	-	-	1,830	-	1,830
Share-based payments	-	-	675	-	-	675
Issuance of shares	13	622	(390)	-	-	245
Own shares	-	-	(101)	-	101	-
Balance at 31 December 2008	1,675	71,619	2,751	(10,436)	(1,170)	64,439

	Company 2007 Share capital €'000	Company 2007 Share premium €'000	Company 2007 Share-based payment reserve €'000	Company 2007 Retained earnings €'000	Company 2007 Own shares €'000	Company 2007 Total equity €'000
Balance at 1 January 2007	1,299	36,909	577	(2,536)	(181)	36,068
Total recognised income and expense	-	-	-	(9,730)	-	(9,730)
Share-based payments	-	-	2,028	-	-	2,028
Issuance of shares	363	34,445	-	-	(1,170)	33,638
Costs incurred in the raising of capital	-	(357)	-	-	-	(357)
Own shares	-	-	(38)	-	80	42
Balance at 31 December 2007	**1,662**	**70,997**	**2,567**	**(12,266)**	**(1,271)**	**61,689**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. During the period the Company issued 3,418,897 ordinary shares for a consideration of €635,000 settled in shares in subsidiaries (€185,000) and shares transferred to employees to satisfy share-based payments (€450,000).

As at 31 December 2008, the EBT held 1,410,476 ordinary shares of the Company (2007: 3,470,476), acquired for a total consideration of €1,170,534. Transactions of the EBT are treated as being those of the Company and shares held by the EBT are therefore reflected in the financial statements as a reduction in reserves of €1,170,534. The EBT shares have a nominal value of €14,105 representing 0.84% of the issued share capital of the Company.

The shares held by the EBT had a market value of €331,000 at 31 December 2008 (2007: €2,046,000).

Share-based payment reserve

The share-based payment reserve comprises the equity component of the Company's share-based payments charges.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Own shares

The reserve for the Group and Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2008 the Group held 1,410,476 ordinary shares of the Company's shares (2007: 3,470,476).

32 Financial commitments

The Group and Company's financial commitments are outlined below.

Operating lease commitments	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Office rental charges within 1 year	830	462	-	-
Office rental charges between 1 and 5 years	1,479	1,192	-	-
Office rental charges after 5 years	-	-	-	-
	2,309	1,654	-	-

33 Related parties

The Group has various related parties stemming from relationships with founding shareholders, a related business partner and key management personnel. In addition, the Company has related parties in respect of its subsidiaries.

Shareholders and related business partners

The founding shareholders who continue to hold a significant interest in the Company and who provide services to the Group are ClearWorld Energy Limited ("CWE") and the shareholders of KWI Consulting AG ("KWI"). Camco Advisory Services Limited (formerly Energy for Sustainable Development Limited) ("ESD") had a significant shareholding prior to becoming part of the Group.

CWE provides support, management and environmental services to the Group under a number of separate agreements. KWI provide environmental and accountancy services to the Group. The amounts charged to administration expenses in respect of these services is shown in the table below.

The related business partner is Consortia Partnership Limited ("Consortia") who has been appointed Company Secretary. Michael Farrow, a non-executive Director of the Company, is a Director of Consortia. Consortia also provide accounting services to the Company. The amounts charged to administration expenses in respect of these services is shown in the table below.

Income statement Administration expenses	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
ClearWorld Energy Limited	84	235	84	235
Camco Advisory Services Limited (formerly Energy for Sustainable Development Limited) *	-	238	-	238
Consortia Partnership Limited	102	134	102	134
KWI Consulting AG	-	23	-	8

* for the 4 month period prior to acquisition

Balance sheet	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Trade and other receivables				
KWI Consulting AG	54	93	-	-
Trade and other payables				
ClearWorld Energy Limited	11	-	11	-
Consortia Consulting	8	4	8	4
Loans & borrowing				
ClearWorld Energy Limited	289	-	-	-

33 Related parties (continued)

Key management personnel

The Group's key management personnel comprises the Board of Directors whose emoluments are shown in the Report of the Remuneration Committee. Directors' interests in the shares of the Company are disclosed in note 35.

In addition to the emoluments outlined in the Report of the Remuneration Committee and shares held in the Company (note 35), Jeffrey Kenna also has a beneficial interest (50% voting rights) in two companies that receive payments from the Group for use of office premises owned by the companies. The companies are Overmoor Ltd and Overmoor SSAS and they received €19,000 (2007: €19,000) each during the period.

At 31 December 2008 & 2007, Jeffrey Kenna had provided a personal guarantee to Barclays Bank plc over the overdraft facility in ESD Ltd of £100,000.

Equity accounted investees and joint ventures

The net amounts receivable from equity accounted investees and joint ventures is €4,000 (2007: €301,000).

Subsidiaries

The Company has entered into services agreements with most of its immediate subsidiaries. The Carbon segment related subsidiaries either provide directly or procure services for the Company relating to origination, marketing, management and advisory in the field of CDC project management. Once the Company enters into CDCs a subsidiary may manage the project on the Company's behalf. The Advisory and Investment segment related subsidiaries are investments of the Company.

Carbon Asset Management International GmbH ("Camco GmbH") and CI Camco (Cyprus) Limited, immediate subsidiaries of the Company, also enter into CDCs. The Companies provide services to each other in respect of these contracts resulting in service fee income.

The income and expense in respect of each subsidiary is analysed below.

Income statement

	Company 2008	Company 2007
Services fee income	**€'000**	**€'000**
CI Camco (Cyprus) Limited	**113**	-
Camco GmbH	**75**	120
Services fee expense	**€'000**	**€'000**
Camco GmbH	**-**	(54)
Camco Services (UK) Limited	**(5,142)**	(2,998)
CI Camco (Cyprus) Limited	**-**	(55)
Camco Advisory Services Limited (formerly Energy for Sustainable Development Limited)	**(3,301)**	-
Camco (Mauritius) Limited	**(2,769)**	(3,025)

The balance sheet position with each subsidiary is analysed below.

Balance sheet

	Company 2008	Company 2007
Amounts due from subsidiary undertakings	**€'000**	**€'000**
Camco Services (UK) Limited	**-**	941
CI Camco (Cyprus) Limited	**2,598**	1,335
Camco (Mauritius) Limited	**330**	290
Camco Ventures Limited	**138**	834
Camco International Carbon Assets Information Consulting (Beijing) Co. Limited	**379**	9
Camco Asset Management Company (Pty) Limited	**6**	-
Camco International Group Incorporated	**2,692**	-
Camco GmbH	**33**	-
Camco Ventures (China) Limited (formerly ClearWorld Energy Ventures Limited)	**96**	-
Camco DCE Limited	**243**	-
Dallas Clean Energy LLC	**-**	8,305
Camco Advisory Services Limited (formerly Energy for Sustainable Development Limited)	**1,408**	1,136
ESD Partners Limited	**4**	-
ESD Africa Limited	**2**	-
ESD Bulgaria Limited	**2**	-
Edinburgh Centre for Carbon Management	**7**	-
EPES Limited	**50**	-
Bradshaw Consulting Limited	**8**	-
Re-Fuel Tech Limited	**4**	-
Camco Carbon Limited	**1**	-
Camco Voluntary Credits Limited	**29**	-
Camco Russia Carbon Limited	**2**	-
Amounts due to subsidiary undertakings	**€'000**	**€'000**
Camco Services (UK) Limited	**(278)**	-
Sinosphere Beijing (WOFE) Limited	**(30)**	-
Camco Sales Limited	**(46)**	-
Camco GmbH	**-**	(119)

34 Group entities

Significant subsidiaries

Investment	Country of incorporation	Principal Activity	Ownership 2008	Ownership 2007
Direct subsidiary undertakings				
Camco Services (UK) Limited	England and Wales	Support Services	100%	100%
CI Camco (Cyprus) Limited	Cyprus	Holding Company	100%	100%
Carbon Asset Management International GmbH	Austria	Business Services	100%	100%
Camco (Mauritius) Limited	Mauritius	Holding Company	100%	100%
Camco Ventures (China) Limited (formerly ClearWorld Energy Ventures Limited)	Hong Kong	Holding Company & Consultancy	100%	100%
ESD Partners Limited	England and Wales	Holding Company & Consultancy	100%	100%
Indirect subsidiary undertakings				
Camco Russian branch	Russia	Business Services	100%	100%
MCF Finance and Consulting Co. Limited	Russia	Business Services	100%	100%
Camco International Carbon Assets Information Consulting (Beijing) Co. Limited	The People's Republic of China	Business Services	100%	100%
Camco Asset Management Company (Pty) Limited	Republic of South Africa	Business Services	100%	100%
Camco Advisory Services Limited (formerly Energy for Sustainable Development Limited)	England and Wales	Research & Consultancy	100%	100%
Camco Ventures Limited	England and Wales	Research & Consultancy	100%	100%
ESD Carbon Systems Limited	England and Wales	Research & Consultancy	100%	100%
Edinburgh Centre for Carbon Management	England and Wales	Research & Consultancy	100%	100%
ESD Bulgaria Limited	Bulgaria	Research & Consultancy	80%	80%
EPES Limited	England and Wales	Building Certification Software	90%	90%
Re-Fuel Tech Limited	England and Wales	Fuel Cell Research & Development	75%	43%
ESD Sinosphere Limited	Hong Kong	Holding Company & Consultancy	100%	51%
Sinosphere Beijing (WOFE) Limited	The People's Republic of China	Research & Consultancy	100%	51%
Camco International Group Incorporated	United States of America	Business Services	100%	100%
Dallas Clean Energy LLC	United States of America	McCommas Operating Vehicle	0%	100%
Bradshaw Consulting Limited	England and Wales	Software Consultancy	100%	100%
Camco DCE Limited	Jersey	Holding Company	100%	100%
ESD Africa Limited	Kenya	Research & Consultancy	100%	100%
ESD Tanzania Limited	Tanzania	Research & Consultancy	100%	100%

Each of the above subsidiary undertaking is included in the consolidated accounts of the Group.

35 Directors' share interests

	2008 Number	2007 Number
Executive Directors		
Scott McGregor	**259,709**	192,857
Jeffrey Kenna	**2,930,269**	2,775,119
Non-executive Directors		
David Potter	**222,513**	80,645
Michael Farrow	**81,158**	72,004
Herta von Stiegel	**81,239**	72,004

The beneficial interests of the Directors in the ordinary share capital of the Company are shown above. In addition, the executive Directors have conditional rights to acquire shares arising from awards granted under the Long-Term Incentive Plan. These awards are detailed in the Report of the Remuneration Committee on pages 25 to 26.

36 Accounting estimates and judgements

Below is a discussion of the key assumptions concerning the future and key sources of estimation or uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Balance sheet	Group 2008 €'000	Group 2007 €'000
Work in progress - carbon development contracts	**8,490**	13,302

Fair value of consideration receivable under CDCs

Revenue is recognised from the provision of consultancy services to clients. Consideration receivable is a non cash consideration success fee contract in the form of commission share or receipt of carbon credits. The key assumptions made in the fair value calculation relate to the amount and timing of cash flows from delivery of carbon credits (project development risk) and revenue cash flows (price risk).

The project development risk is managed by the Group's strong internal control systems to forecast and maximise delivery of carbon credits. The forecast production of carbon credits is adjusted for specific technical, counterparty and economic risks identified on the project.

The carbon credit price used in the calculation is a contracted sales price or conservative estimate in line with the average market price in the period less a discount for assumed selling costs or the exit value of the contract. The carbon credit price is based on that which is currently widely accepted by brokers and analysts when valuing the Group and our competitors.

Initial allocation of CDC cost on acquisition of projects

The CDC purchase cost has been determined by first allocating the acquisition price to the fair value of the likely CDCs with the remaining value classified as a customer relationship intangible asset and then goodwill on acquisition. CDC purchases were generally for multiple contracts at varying degrees of completion ranging from those in the advanced stages of the CER process to those considered pipeline projects. The CDC purchase cost has been allocated to individual projects. For the purposes of this exercise the Directors have only allocated purchase cost to CDCs that were considered 100% certain to progress to signed CDC status. This assumption excludes pipeline projects from the initial allocation. The allocation was made pro rata based on the Directors' valuation of these projects at date of acquisition.

The initial impact of this policy is that more of the total purchase cost has been attributed to less CDCs. However, these CDCs are more certain to provide future profits. This policy directly affects the amount and timing of future write-downs in the event that a CDC fails to deliver the forecast carbon credit revenue.

Capitalisation of CDC project costs under development

Carbon development projects, of which the company has contracted and under development, incur certain costs. These direct costs are capitalised as CDC work in progress. These CDC work in progress costs are expensed once the project delivers carbon credit revenue.

36 Accounting estimates and judgements (continued)

Recoverability of work in progress

The Group policy is to perform regular realisable value reviews to ensure the carrying amount of CDCs is not above net realisable value. The net realisable value is determined by discounting the expected revenue from CDCs to identify the net present value of each specific contract. Contracts are defined as project or projects collectively under one legal contract (Carbon Asset Development Agreement (CADA) or Emission Reduction Purchase Agreement (ERPA)). Each contract is considered an individual cash generating unit ("CGU").

The key assumptions made in this calculation relate to amount and timing of cash flows (project development risk) and revenue cash flows (price risk).

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, the aggregate carrying amounts of goodwill allocated to each of the acquisitions has been allocated to cash generating units as follows:

Balance sheet	CGUs			Total	Group
	Carbon	Advisory	Investments	2008	2007
	2008	2008	2008		
	€'000	€'000	€'000	€'000	€'000
MCF Finance and Consulting Co. Limited	-	-	-	-	1,156
ESD Partners Limited	10,890	1,200	800	12,890	12,890
Bradshaw Consulting Limited	-	394	-	394	367
Re-Fuel Tech Limited	-	-	284	284	-
ClearWorld Energy Ventures Limited	288	-	144	432	-
ESD Sinosphere Limited	-	120	-	120	-
	11,178	1,714	1,228	14,120	14,413

The Directors have carried out their impairment review based on current and future business plans for each CGU. The business plans are considered to be an appropriate basis on which to consider whether goodwill is impaired.

Value in use has been determined by discounting future cash flows generated from the continuing use of the CGU and has been based on the following key assumptions:

- For ESD Sinosphere, ESD and BCL, a year-on-year profit growth of 10% (2007: 25%) assumption for a period of five years after which there is growth of 3% (2007: 25%). The growth assumption is considered appropriate due to the low starting point. A cost reduction plan is being implemented in 2009 across the Group which will drive down costs leading to additional improvements to margins.
- For Advisory CGUs a discount rate of 12% (2007: 12%), Carbon and Investment CGUs a discount rate of 15% (2007: 12%) which represents the investment hurdles over which the Board will authorise investment decisions for the business units.
- For Advisory businesses we have assumed flat market price and cost base growth assumptions due to recessionary impacts and industry competitiveness.
- For ClearWorld Energy Ventures goodwill value is expected to be realised largely through contribution to the Carbon CGU, specifically the origination of carbon projects.
- For ESD the value attributed to each CGU through ESDs personnel, history, brand, reputation, and technical experience has been identified and reviewed. The ESD technical team and experience has been considered to increase the commercialisation margin premium and increased the delivery of carbon credits for the Carbon CGU. To date the ESD technical experience and team has contributed to a 100% Group success rate in Carbon project registration.
- Sensitivities for discount rate (2.5% variance) and CGU growth rates (5% variance for advisory) have been considered and would not cause the carrying amount to exceed its recoverable amount.

Balance sheet	Group	Group
	2008	2007
	€'000	€'000
Intangible in Re-Fuel Tech Limited	668	-

The Directors consider the intangible in Re-Fuel to exceed fair value less costs to sell. Investments in comparable businesses have been considered as part of the valuation process. The carrying value is considered reasonable given market interest in this technology.

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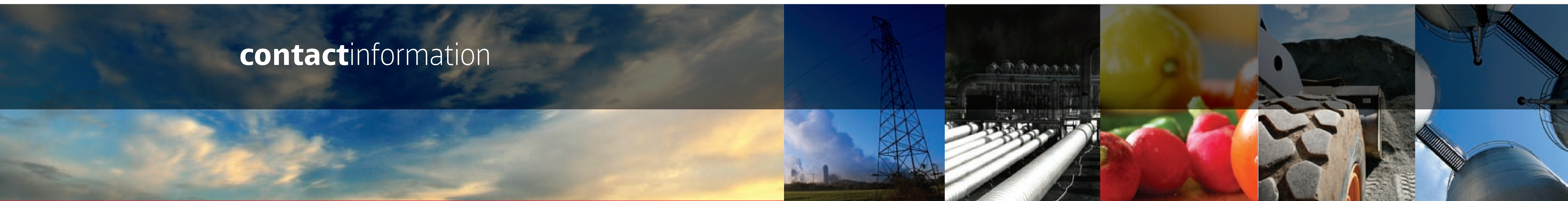

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