creating a cleaner economy

Annual Report and Accounts

for the year ended 31 December 2009

Who We Are

Camco is a global emissions reduction company providing project development, advisory and commercial expertise globally.

Highlights

Strong net cash position of €28.3 million at 31 December 2009 (2008: €26.2 million)

Positive operating cash flow for 2009 of €2.9 million

Completion of two market-leading carbon structured financial transactions generating upfront cash proceeds of €15.7 million

Increase in issuance of carbon credits (tonnes of CO_2) to 3.3 million tonnes for 2009 (2008: 2.8 million)

Chairman's Statement

A successful and eventful year

It is with great pleasure that I present the Annual Report for another successful and eventful year for Camco. The Company has had its second consecutive profitable year (excluding impairment of goodwill) and positioned itself as a leader in the emission reduction sector. We ended 2009 with no significant debt and €28.3 million net cash (2008: €26.2 million). These achievements are testament to Camco's world-class managerial, technical and commercial capabilities.

In the year, Camco has concentrated on delivering emission reduction services. This concentration of effort has provided excellent results on both the emission reduction project development side and the carbon commercialisation front. Our commercial and financial capabilities have been demonstrated again this year, executing two successful forward transactions. Despite a low carbon price environment, the completion of the transactions are a testament to our ability to extract value in volatile market conditions.

As reported in our interim results, goodwill was written down relating to the Advisory business, which has gone through a deep restructuring and strategic refocus. On the Investment front, the Company has pursued project development opportunities in China and the US. Camco's carbon portfolio has continued to progress through the Clean Development Mechanism ('CDM'). The Company continues to develop its post-2012 portfolio and we have been working through our regional hubs to identify and source new projects for our pipeline. Camco has created regional platforms for technical and commercial knowledge allowing it to quickly adapt to developing regulations locally and globally.

The legislative landscape has continued to move our way, creating a highly incentivised environment towards emission reduction project development worldwide. As expected, details on an international agreement were not fully resolved in Copenhagen; but the US and China, the globe's largest polluters, have signed up to the Copenhagen Accord, the first climate-protection agreement, which contains numerical goals for emission reduction targets for all the biggest greenhouse gas emitters. This is also the first time emerging economies have made a political commitment to reduce their emissions. In addition, governments have made significant financial commitments; the EU, Japan and the US have restated their pledge towards creating a $30 billion of financial flows for international emission reduction by 2012.

In Camco's main markets there has been continued local commitment towards emission reduction and an increase in national targets and initiatives. In the US, the Federal government is providing national tax incentives and grants for renewable energy and energy efficiency development. Adding to the Federal effort have been local state initiatives including renewable portfolio standards, energy efficiency regulations and a push towards localised carbon markets. In China, the central government has taken a proactive approach through increasing its emissions intensity target to a 40% reduction by 2020.

In developing countries emission reduction efforts are also picking up pace. International organisations have been allocating resources towards emission reduction in these countries. There has also been an unprecedented commitment from the developed world's governments to allocate resources towards reducing emissions in developing countries.

Changes in the regulatory environment have been favourable for Camco. As an expert on emission reduction projects, the Company is best positioned to capitalise on these developments and tap into these markets.

I am pleased to be working with Scott McGregor, our incoming CEO; he is doing an excellent job and I am confident that he will continue to lead the Company forward. The Company is fortunate Jeff Kenna has agreed to continue contributing his experience from his position as Vice Chairman, with global policy and strategic development responsibilities. We also welcome Paolo Pietrongrande to Camco. Paolo brings a complimentary skill set to the Board and we expect him to make a significant contribution to the success of the business. We are extremely proud of Camco's achievements and I would like to congratulate all of our employees and partners who contributed to this result. We are committed to continuing our forward momentum through 2010 and beyond.

David Potter
Chairman
February 2010

An international leader

Camco is a global emissions reduction company providing project development, advisory and commercial expertise globally.

Camco has a 20-year track record of operations in China, US, Russia, the UK and Africa, bringing together the distinct but complementary service areas of Carbon, Advisory and Investments to help its clients and partners manage all aspects of reducing emissions.

The Carbon business unit has developed one of the largest emission reduction portfolios by working closely with companies to identify and develop projects that reduce greenhouse gas ('GHG') emissions. The team has structured groundbreaking and innovative transactions for the sale and delivery of certified emission reductions to compliance and voluntary buyers.

The Advisory business unit combines strategic, commercial, financial and technical expertise accrued over two decades to deliver low carbon energy and sustainable development solutions. Our experience spans emission assessments, carbon management strategies and project delivery, as well as international energy and climate change policy.

Camco's Investment business unit collaborates with manufacturers, project developers, technology providers and investor groups in our chosen sectors to develop emission reduction projects. We work locally in our markets to identify, develop and deliver projects in methane abatement, industrial energy efficiency and renewable energy.

In developing countries, emission reduction efforts are picking up pace.

About Camco (continued)

North America

Camco is a leading developer of clean emission reduction projects in North America. An early focus for our activities was the agricultural methane sector, and today we are a market leader in the sector on the California-based Climate Action Reserve. Beyond the agricultural sector, Camco's North American team continues to build a diverse portfolio of projects in industrial energy efficiency, clean energy production and GHG sequestration.

Over time, we expect these projects to create long-term revenue streams from sales of electricity, fuels and GHG emissions reductions as the US continues moving toward its goals of improving both the security and environmental performance of its energy economy.

In order to build its project portfolio, Camco has partnered in North America with industry-leading developers and project sponsors in several strategic sectors, leveraging Camco's global experience with local sector-specific expertise. We have a number of projects currently under development, and we bring the Company's expertise to bear in a range of project development activities – technical, environmental, and financial – according to the individual needs of each project.

Camco's US team includes project engineers and managers, financial analysts and environmental experts with extensive experience in their respective fields. The team includes former senior executives with major North America-based multinational companies involved in energy, industry, infrastructure and agriculture, former professional staff from the US Congress and the EPA; and industry thought-leaders formerly affiliated with institutions such as Stanford University, the Rocky Mountain Institute and the National Renewable Energy Laboratory. Our team provides the management infrastructure, technical underpinnings, financial structuring, business planning, development support and project finance to take projects, as required, from early-stage development through to financial closing, construction and operation.

In 2010, Camco will continue to apply its own approach – informed by our experience, leveraged by our technical leadership and shaped by our first-hand appreciation of real-time developments in regional and federal policies. In the coming year, Camco will continue building a market-leading North American presence, creating long-term value for the Company.

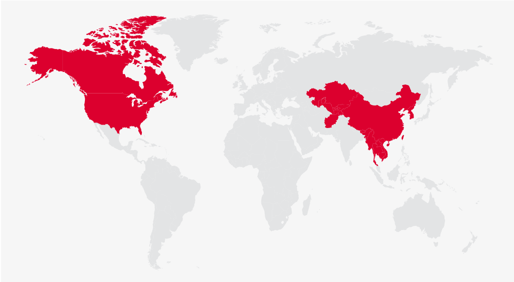
China & South East Asia

Camco is one of the largest emission reduction developers in China and South East Asia, with over 200 contracts under management. Camco operates in three main areas in the region: carbon project development, project investment and advisory. Our carbon portfolio is mature with a 149% increase in projects going through first verification in 2010, amounting to accumulative of 45 million tons.*

Camco has expanded its activities in the region, securing an agreement to place funds into China clean energy investments. We are focused on growing our project investments in clean energy projects in the region with a focus on methane abatement and industrial energy efficiency and renewables, further adding to our wealth of experience in these sectors.

On the advisory side Camco has been diversifying its client base and extending new services into the Chinese market. Services in environmental and investment due diligence have focused on renewable investments, and Camco has reached new clients amongst international financial institutions, providing an opportunity to extend these services further in 2010.

* This is our risk adjusted number. Fully risked delivery estimate reflecting known and anticipated regulatory, registration, verification, delay, operating and commercial risks across all projects in Camco's portfolio.



UK

Camco's main business in the UK is advisory services. In the past year, our UK advisory practice was included as part of a strategic company-wide restructuring, and the result led to improved performance in the second half of 2009. The practice began work on a number of large and strategically important commissions, including an assessment of global carbon market strategies for The Department of Energy and Climate Change and work on an energy efficiency trading scheme in India for the Department for International Development ('DFID'). The practice also began to provide support to a number of large companies preparing for the introduction of the Carbon Reduction Commitment Scheme in the UK ('CRC') and feed-in tariffs; continued to advise real estate clients on the feasibility of renewables investments at a wide range of sites across the UK; and provided GHG emissions assessment for a range of leading brands. As a result of the changing regulatory environment, improved economic conditions and the restructuring, the UK advisory team expects growth in demand for its services in the coming year.

Africa

Camco routinely advises companies and governments on their bid towards a cleaner Africa. In the last year Camco worked with the South African government to develop the country's renewable energy feed-in tariff, which came into force at the start of 2010. Our team in Tanzania has been working with leading cement producers to promote their use of biomass. Camco has also helped to implement environmental management systems in local companies across a variety of sectors.

Throughout Africa, our advisory team has been involved in the promotion and implementation of renewable technologies for local authorities and large industrial companies. Camco has led the promotion of sustainable forestry and deforestation avoidance projects in the region.

Eastern Europe, Russia & Middle East

Camco has been expanding our operation in Eastern Europe and the Middle East over the year. We have one of the largest carbon project portfolios under management in Russia. The year has seen positive policy developments which have provided added certainty over the Joint Implementation ('JI') process there. This will speed up our project qualification process, add accountability to the registration steps and allow for greater confidence around project delivery.

Our team has continued to originate projects in the region, expanding our reach into Ukraine and Azerbaijan. We are excited about the opportunities in the region, particularly in the agricultural sector, renewables and energy efficiency.

Scott McGregor CEO

Worldwide collaboration

I am excited to take the helm of Camco in a challenging year for the world and for Camco. The last year has seen immense progress in global willingness to take action to fight climate change. Only worldwide collaboration on a scale never seen before will help us reverse the global warming trend. At the same time, the economic environment has faced and will continue to face new challenges.

Both trends create a need for companies that are able to combine technical excellence with strong financial skills, global reach with local agility, and most importantly, the ability to adapt quickly to changes in both regulations and the competitive landscape.

I am confident in Camco's unique advantages and the ability to create faster growth as regulation around the world develops. After a restructuring process in 2009, Camco will focus on project development and financing activities in both China and the US to create value from favourable regulations in carbon reduction commitments, as well as investment tax credits, grants, tariffs and other incentives.

"The next year will be an exciting one for Camco. With a robust balance sheet, our team's technical excellence and our Company's global reach and local agility, we can continue building our clean energy platform to service the growing regulatory needs of our clients and partners."

Financial Review

Graeme Halder Interim CFO

A strong position

This year's result for the second half of 2009 showed improvements in several areas over the first half. The Company made an adjusted profit after tax of €1.1 million, excluding a non-cash charge for impairment of goodwill of €12.0 million. The adjusted profit after tax is a modest increase over the 2008 profit after tax of €1.0 million. Total revenues for the year were €28.5 million compared with €41.5 million the previous year. Total loss after tax was €10.9 million in 2009.

The carbon portfolio remains solid and has progressed through the regulatory pipeline as expected, with an 80% increase of 'in specie' projects having first independent verification, as disclosed in the previous trading statement dated 18 January 2010. Total revenues in the Carbon business were €21.5 million compared to €31.3 million the prior year. The segment profit of €8.4 million was €0.5 million better than the previous year reflecting actions taken to reduce costs. Carbon overheads reduced by €2.1 million (22%) in 2009 compared to 2008, and by €1.0 million (24%) in the second half of 2009 compared to the first.

The Advisory business delivered revenues of €7.7 million (compared to €8.8 million in the prior year) and a segmental loss of €1.7 million in difficult trading conditions. However, there was an improvement in the second half performance following a restructuring, with management changes and cost reductions across the board to bring it back towards profitability. The loss at the half year was €1.4 million and the second half loss reduced to €0.3 million. The majority of the cost reductions occurred in the fourth quarter. Whilst Advisory overheads were largely unchanged year on year, they did show a significant reduction between the first half and second, reducing from €3.9 million to €3.1 million, a reduction of €0.8 million (21%).

The Investments business incurred a segment loss of €0.8 million, and it continues to pursue project development opportunities in China and the US. The Company has also expanded its investment programme into the industrial energy efficiency market and has signed a development agreement with one of the industry's leading players in the US.

As at 31 December 2009, the Company had a net cash balance of €28.3 million. The Directors consider the Company to be in a strong financial position from which to continue to develop in its key markets.

Camco is a leader in emission reduction

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

In 2009 Camco wrote and contributed to a number of papers and consultation processes:

Critical elements of CDM* reform – key reform recommendation
Submitted to key negotiators, NGOs and governments in preparation for the Copenhagen meeting. Our work was instrumental in shaping the CDM reform agreed in Copenhagen.

Principles for reducing emissions and enhancing sequestration in the land use sector
Submitted to the European Commission, the UNFCCC and to key government negotiators.

The Joint Implementation Mechanism post-2012
Submitted to the International Emissions Trading Association for governments, policymakers and NGOs.

Ensuring the efficient integration of international aviation, carbon markets investors association, aviation and maritime
Submitted to the UK government, the European Commission and several key EU Member States.

Sectoral approaches for iron and steel in China
Submitted to the UK government.

Chinese wind tariffs
Overview to negotiators – through Project Developer Forum, Carbon Markets Investors Association reaching both European Commission and UK government.

Laying the right foundations for a REDD Plus Mechanism**
Carbon Markets Investors Association Discussion Paper – Comments and observations on REDD – plus for negotiating parties.

Coal mine methane offset opportunities for Australia CPRS
Consulting piece for Gaian Capital.

* Clean development mechanism.
**Reducing Emissions from Deforestation and Forest Degradation in Developing Countries.

Committed to a cleaner economy

Where we stand

Camco is committed to creating a sustainable cleaner environment and economy. To achieve our vision, we actively participate in both internal and external projects that contribute to a reduction in our Company's global carbon footprint and enhance sustainable development in our local communities.

Our environment

Camco's carbon footprint for 2009 was 200 tonnes CO_2 equivalent, a net increase of 31.3% from our 2008 footprint and a 12% decrease in emissions per employee.

Camco purchased carbon emission reduction certificates 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 its the combined skills, knowledge and experience of our employees that enables Camco to be 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 employees 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. This past year Camco has participated in two community enhancement projects in Tanzania and Kenya.

In the year, Camco worked with communities in the Turkana District in Kenya to develop sustainable charcoal production and a marketing model to diversify livelihoods and cushion the communities against recurrent environmental shocks.

Turkana District has a long record of droughts. The main coping strategy for farmers in the area has been to turn to alternative sources of livelihood that exploit local natural resources, in particular charcoal burning, which was carried out in an unsustainable manner. As a result, Turkana communities are also heavily dependent on food aid. Camco, in collaboration with Oxfam, has been working with the community to develop a sustainable water, agricultural and charcoal production model, ensuring a stable source of income with environmental integrity.

Camco assisted in setting up efficient kilns with high conversion efficiency and a solar-wind hybrid powered water pump and drip irrigation system to ensure sustainability of local crop growth. To help ensure adoption of this model going forward, Camco has trained over 200 community members in kiln construction and professional agriculture.

In Tanzania, Camco's team lead a SIDA project aiming to develop a commercial market for solar equipment by establishing a retail network. Camco's staff supplied new solar retailers across the country with training and marketing tools. In addition to establishing a retail network, Camco has worked with the Tanzanian Bureau of Standards to establish quality control measures and related standards.

Additionally, Camco has been working with the World Bank in Tanzania to assist large farmer cooperatives in structuring and executing large procurements of solar systems. As part of this effort Camco is providing training courses to project managers, technicians and quality control agents, thus supporting the creation of a solar industry. Since the project's start, the national market has grown five-fold.

Board of Directors

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1. David Potter Chairman and Non-Executive Director
David Potter is the Chairman and Non-Executive Director of several listed companies. His work in the City sector has extended 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.

2. Scott McGregor Chief Executive Officer
Scott has worldwide experience in the mining, finance and technology industries with strong experience in fundraising and strategic development within early-stage and high growth global companies. Scott has been a member of the Camco Board of Directors since March 2006 and has advised leading corporations in North America and Europe on environmental initiatives. Scott has previously worked in finance and development roles for Rio Tinto, Merrill Lynch and Skype Technologies. Scott has an MBA from the London Business School, a B.Econ from Monash University and qualified as a Chartered Accountant through PriceWaterhouseCoopers.

3. Dr Jeff Kenna Vice Chairman
Jeff Kenna has 30 years, experience managing small and medium-sized enterprises in the sustainable energy sector, from incubation to full commercial development. Jeff was one of the founders of Camco and served as Camco's CEO up to last October. Jeff has worked on low carbon projects in Europe, Africa, Asia and the US, 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 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.

4. 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.

5. 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 BA 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.

6. Paolo Pietrogrande Non-Executive Director
Paolo Pietrogrande has extensive experience in renewables and clean technology. He is currently serving as Executive Chairman of 9REN Group and as a board member of Ryanair. He has formerly served as CEO of Enel Greenpower, CEO of Nuovi Cantieri Apuania, Chairman of Netplan Management Consulting, Chairman of Atmos Holding and Chairman of Solar Energy Italia. He has held executive positions at Enel Group, General Electric, KTI, Bain & Company and board membership at Ducati Motor Holding and Trinergy, and, among other publications, is the author of *Energia Verde per un Paese Rinnovabile*.

Directors' Report

The Directors present their Directors' report and financial statements for the year ended 31 December 2009 (the 'year').

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'). Until 31 December 2008, the Company had been granted tax exempt status by the Jersey Comptroller of Income Tax. Effective 1 January 2009, Jersey's tax regime changed; 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 years.

Principal activities

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 year

The financial statements of the Group and Company for the year appear on pages 21 to 56.

The loss before and after tax attributable to equity holders for the year is €10,785,000 (2008 profit: €2,226,000) and €10,915,000 (2008 profit: €1,023,000) respectively. The Directors do not recommend the payment of a dividend for the year.

The Company's Advisory business was subject to difficult trading conditions in the UK market in the first half of 2009. This resulted in a first half performance significantly below management's expectations. This challenging environment led to a goodwill impairment of €11.7 million (reducing goodwill from €12.9 million to €1.2 million) arising on the acquisition of ESD Partners Limited in April 2007. The Company instigated a restructuring in the Advisory business with management changes in the second half of 2009 to bring it back towards profitability.

During the year, the Company completed two carbon structured forward sales generating upfront cash proceeds of €15.7 million.

Financial position at the end of the year

The Directors have carried out a full impairment review of the assets of the Group in order to satisfy themselves that the current disparity between the market capitalisation and net assets of the Group is justified. This resulted in an impairment charge of €12.0 million, €11.7 million of which related to goodwill arising on the acquisition of ESD Partners Limited in April 2007.

The major assets of the Group are prepayments and accrued income of €37.1 million, cash net of overdraft of €28.3 million and work in progress related to carbon development contracts of €7.3 million. Note 32 sets out in detail the review process undertaken.

At the year end the Company had 35 direct or indirect significant subsidiaries and the Group had an average of 241 employees in the year.

The Company had no material interest-bearing debt in the year and the Directors considered that financial gearing was not suitable for the Group. The Directors consider the Group to be in a strong financial position from which to grow and develop its strategy.

Future developments

The Group will continue to develop its carbon credit portfolio of projects over the remaining Kyoto period and expand its business in 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 Carbon Development Contracts ('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 31. Save as shown in note 31, no Director had any disclosable interest in the shares of the Company or its subsidiaries during the year.

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 meets on a regular basis to consider operational matters and implement the Group's strategy.

On 26 October 2009, Jeffrey Kenna was appointed Vice Chairman of the Company, recognising his desire, as a co-founder of the Company to step back after 20 years to focus on policy and business development. Scott McGregor, who until that date had fulfilled the role of Chief Financial Officer, was promoted to Chief Executive Officer.

The Directors

David Potter	Non-Executive Chairman	
Scott McGregor	Chief Executive Officer	
Jeffrey Kenna	Vice Chairman	
Michael Farrow	Non-Executive	
Dr Herta von Stiegel	Non-Executive	
Paolo Pietrogrande	Non-Executive	Appointed 16 November 2009

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
Paolo Pietrogrande was appointed as a non-Executive Director and Chair of the Audit Committee on 16 November 2009.
Dr Herta von Stiegel stepped down as Chair of the Audit Committee on the same date.

The Audit Committee comprises Paolo Pietrogrande (Chairman), Dr Herta von Stiegel, 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 to:
- Review 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;
- Assume 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 Board's committees (continued)

The Remuneration Committee

The Remuneration Committee comprises Michael Farrow (Chairman), Dr 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 Dr Herta von Stiegel who are all Non-Executive Directors.

The Committee is responsible for considering all potential appointments to the Board and for making 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 JFSC. 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. The Company understands and respects 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 year, 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 Financial Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the same review. In addition, notes 23 to 25 of 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 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. For this reason they consider it appropriate for the financial statements to be prepared on a going concern basis.

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 2009 the Company resolved to reappoint KPMG Audit Plc as the Group's auditors for the year ended 31 December 2009.

By Order of the Board

Michael Farrow
Consortia Partnership Limited
Company Secretary

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

19 February 2010

Composition and terms of reference

The Remuneration Committee was established on admission to AIM on 25 April 2006 and comprises only independent Non-Executive Directors. Its members during the year were Michael Farrow (Chairman), Dr Herta von Stiegel and David Potter. The Committee's terms of reference take into account the provisions of the Combined Code on corporate governance 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

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.

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 Directors' services.

Directors' remuneration during the year

	2009 Salaries and fees €'000	2009 Performance bonus €'000	2009 Pension contribution €'000	2009 Total €'000
Executive Directors				
Scott McGregor	**173**	**–**	**9**	**182**
Jeffrey Kenna	**194**	**–**	**10**	**204**
Non-Executive Directors				
David Potter	**72**	**–**	**–**	**72**
Michael Farrow	**36**	**–**	**–**	**36**
Dr Herta von Stiegel	**36**	**–**	**–**	**36**
Paolo Pietrogrande	**6**	**–**	**–**	**6**
Total	**517**	**–**	**19**	**536**

	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
Dr Herta von Stiegel	41	–	–	41
Total	576	77	20	673

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 years after 31 December 2009, 2010, 2011 and 2012, and upon certain market and non-market performance conditions being met for reporting years ending 31 December 2009, 2010, 2011 and 2012.

Long-Term Incentive Plan (the 'LTIP') (continued)

The purpose of the LTIP is to incentivise Directors and employees to ensure profit and share price performance targets are met over the vesting year. The LTIP will align Directors' 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 year. The comparator groups consist of a basket of SmallCap companies at the grant date (adjusted for mergers, demergers and delistings during the performance year) 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 year 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 year.

	2008 Share awards outstanding Number	**Granted Number**	**Forfeited Number**	**Vested* Number**	**2009 Share awards outstanding Number**	Price payable (per share) €
Scott McGregor	1,558,785	**2,250,000**	**–**	**(779,392)**	**3,029,393**	0.01
Jeffrey Kenna	2,597,974	**–**	**–**	**(649,494)**	**1,948,480**	0.01
Total	4,156,759	**2,250,000**	**–**	**(1,428,886)**	**4,977,873**	

* Scott McGregor has 600,000 options that have vested but not been exercised at the year end.

The Company's share price at the end of the year was €0.22 (2008: €0.21). The highest share price in the year was €0.34 (2008: €0.62) and the lowest €0.04 (2008: €0.08). LTIP awards are scheduled to vest annually after audited results are confirmed for 2009, 2010, 2011 and 2012 financial years.

Camco intends to issue a further 3,329,755 new ordinary shares in the Company. As part of this arrangement, senior management has elected not to receive any cash bonuses for the success in 2009 but instead it is the intention to increase their holding in the Company in the form of LTIP shares, whereby 500,000 Ordinary Shares will be awarded to the Vice-Chairman, Jeff Kenna, and 779,392 Ordinary Shares will be awarded to Scott McGregor, CEO. Following the proposed award of 3,329,755 LTIP shares, Jeff Kenna will hold a total of 4,079,763 Ordinary Shares and Scott McGregor a total of 1,813,321 Ordinary Shares, representing 2.31% and 1.03% of the issued share capital respectively.

The share-based payment charge booked in these financial statements for Scott McGregor and Jeff Kenna is €74,000 (2008: €152,000).

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 six months notice prior to termination of his appointment. The other Non-Executive Directors are entitled to three 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 three months' notice and six 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 as if the Companies Act 2006 were applied.

By Order of the Board

Michael Farrow
Chairman, The Remuneration Committee

19 February 2010

Statement of Directors' Responsibilities

In respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Jersey 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 judgements 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 2009 which comprise the Consolidated and Company statements of financial position, the Consolidated statement of comprehensive income (which replaces the Consolidated income statement and Consolidated statement of recognised income and expense), the Consolidated statement of changes in equity, the Consolidated and Company statements of cash flow 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 8 to the United Kingdom Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 18, 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 8 of the United Kingdom Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

In addition we report to you if, in our opinion, the Group has not kept proper accounting records, and 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 2009 and of its loss for the year ended 31 December 2009;
- 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 2009;
- 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 in accordance with Schedule 8 to the United Kingdom Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as if those requirements were to apply to the Company.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

19 February 2009

Consolidated and Company Statements of Financial Position

at 31 December 2009

	Notes	**Group 2009 €'000**	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Non-current assets					
Property, plant and equipment	12	**728**	1,282	**99**	132
Goodwill on acquisition	13	**2,149**	14,120	**–**	–
Other intangible assets	13	**789**	1,794	**–**	–
Investments in subsidiaries	15	**–**	–	**9,378**	17,226
Investments in equity-accounted investees	16	**1,146**	–	**–**	–
Other investments	17	**225**	209	**–**	–
Deferred tax assets	10	**216**	292	**–**	–
		5,253	17,697	**9,477**	17,358
Current assets					
Work in progress – carbon development contracts	18	**7,321**	8,490	**5,391**	5,639
Prepayments and accrued income	19	**37,096**	28,545	**19,187**	26,595
Trade and other receivables	20	**4,640**	5,529	**27,909**	8,729
Cash and cash equivalents	21	**28,463**	27,064	**16,674**	26,059
		77,520	69,628	**69,161**	67,022
Total assets		**82,773**	87,325	**78,638**	84,380
Current liabilities					
Loans and borrowings	25	**(236)**	(1,426)	**–**	–
Trade and other payables	22	**(31,474)**	(23,767)	**(26,011)**	(19,941)
Tax payable		**(1,123)**	(1,413)	**–**	–
Deferred consideration	26	**(27)**	(702)	**–**	–
		(32,860)	(27,308)	**(26,011)**	(19,941)
Non-current liabilities					
Loans and borrowings	25	**(5)**	(75)	**–**	–
Deferred consideration	26	**(32)**	(48)	**–**	–
Deferred tax liabilities	10	**(221)**	(315)	**–**	–
		(258)	(438)	**–**	–
Total liabilities		**(33,118)**	(27,746)	**(26,011)**	(19,941)
Net assets		**49,655**	59,579	**52,627**	64,439

Consolidated and Company Statements of Financial Position (continued)

at 31 December 2009

Equity attributable to equity holders of the parent	Notes	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Share capital	27	**1,730**	1,675	**1,730**	1,675
Share premium		**72,277**	71,619	**72,277**	71,619
Share-based payment reserve		**1,856**	2,751	**1,856**	2,751
Retained earnings		**(25,711)**	(14,972)	**(22,845)**	(10,436)
Translation reserve		**(106)**	(426)	**–**	–
Own shares		**(391)**	(1,170)	**(391)**	(1,170)
		49,655	59,477	**52,627**	64,439
Non-controlling interest		**–**	102	**–**	–
Total equity		**49,655**	59,579	**52,627**	64,439

These financial statements were approved and authorised for issue by the Board of Directors on 19 February 2010 and were signed on its behalf by:

Michael Farrow
Director

Consolidated Statement of Comprehensive Income

for year ended 31 December 2009

Continuing operations	Notes	2009 €'000	2008 €'000
Revenue	3	**28,515**	41,463
Cost of sales		**(7,232)**	(16,486)
Gross profit		**21,283**	24,977
Other income – net gain on disposal of investment	4	**310**	3,766
Other income – negative goodwill arising on acquisition	4	**303**	267
Administrative expenses	5	**(19,556)**	(24,832)
Restructuring charges	5	**(432)**	–
Impairment of goodwill on acquisition	13	**(11,973)**	–
Other expenses – net loss on fund establishment costs	5	**–**	(1,614)
Results from operating activities		**(10,065)**	2,564
Finance income	9	**1,228**	1,070
Finance expense	9	**(1,948)**	(1,408)
Net financing expense		**(720)**	(338)
(Loss)/profit before tax		**(10,785)**	2,226
Income tax expense	10	**(130)**	(1,203)
(Loss)/profit for the year		**(10,915)**	1,023
Other comprehensive income			
Exchange differences on translation of foreign operations		**353**	(741)
Total comprehensive income for the year		**(10,562)**	282
(Loss)/profit for the year attributable to:			
Equity holders of the parent		**(10,597)**	1,134
Non-controlling interest		**(318)**	(111)
(Loss)/profit for the year		**(10,915)**	1,023
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(10,277)**	393
Non-controlling interest		**(285)**	(111)
Total comprehensive income for the year		**(10,562)**	282
Basic and diluted (loss)/profit per share in € cents			
Basic	11	**(6.43)**	0.62
Diluted	11	**(6.38)**	0.60

Consolidated Statement of Changes in Equity

for year ended 31 December 2009

	Notes	Group 2009 Share capital €'000	Group 2009 Share premium €'000	Group 2009 Share-based payment reserve €'000	Group 2009 Retained earnings €'000	Group 2009 Translation reserve €'000	Group 2009 Own shares €'000	Group 2009 Total equity attributable to shareholders of the Company €'000	Group 2009 Non-controlling interest €'000	Group 2009 Total equity €'000
Balance as at 1 January 2009		**1,675**	**71,619**	**2,751**	**(14,972)**	**(426)**	**(1,170)**	**59,477**	**102**	**59,579**
Total comprehensive income for the year										
Loss for the year		–	–	–	(10,597)	–	–	(10,597)	(318)	(10,915)
Other comprehensive income										
Foreign currency transaction differences		–	–	–	–	320	–	320	33	353
Total comprehensive income for the year		–	–	–	(10,597)	320	–	(10,277)	(285)	(10,562)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payments	7,10	–	–	296	41	–	–	337	–	337
Issuance of shares		55	658	–	–	–	(412)	301	–	301
Own shares		–	–	(1,191)	–	–	1,191	–	–	–
Total contributions by and distributions to owners		55	658	(895)	41	–	779	638	–	638
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Acquisition & settlement of non-controlling interest		–	–	–	(183)	–	–	(183)	183	–
Total changes in ownership interests in subsidiaries		–	–	–	(183)	–	–	(183)	183	–
Total transactions with owners		55	658	(895)	(142)	–	779	455	183	638
Balance at 31 December 2009		1,730	72,277	1,856	(25,711)	(106)	(391)	49,655	–	49,655

	Notes	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 Non-controlling interest €'000	Group 2008 Total equity €'000
Balance as at 1 January 2008		1,662	70,997	2,567	(16,106)	315	(1,271)	58,164	71	58,235
Total comprehensive income for the year										
Profit for the year		–	–	–	1,134	–	–	1,134	(111)	1,023
Other comprehensive income										
Foreign currency transaction differences		–	–	–	–	(741)	–	(741)	–	(741)
Total comprehensive income for the year		–	–	–	1,134	(741)	–	393	(111)	282
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payments	7,10	–	–	675	–	–	–	675	–	675
Issuance of shares		13	622	(390)	–	–	–	245	–	245
Own shares		–	–	(101)	–	–	101	–	–	–
Total contributions by and distributions to owners		13	622	184	–	–	101	920	–	920
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Acquisition & settlement of non-controlling interest		–	–	–	–	–	–	–	142	142
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–	142	142
Total transactions with owners		13	622	184	–	–	101	920	142	1,062
Balance at 31 December 2008		1,675	71,619	2,751	(14,972)	(426)	(1,170)	59,477	102	59,579

Company Statement of Changes in Equity

for year ended 31 December 2009

	Notes	Company 2009 Share capital €'000	Company 2009 Share premium €'000	Company 2009 Share-based payment reserve €'000	Company 2009 Retained earnings €'000	Company 2009 Own shares €'000	Company 2009 Total equity attributable to shareholders of the Company €'000
Balance as at 1 January 2009		**1,675**	**71,619**	**2,751**	**(10,436)**	**(1,170)**	**64,439**
Total comprehensive income for the year							
Loss for the year		**–**	**–**	**–**	**(12,409)**	**–**	**(12,409)**
Total comprehensive income for the year		**–**	**–**	**–**	**(12,409)**	**–**	**(12,409)**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	7	**–**	**–**	**296**	**–**	**–**	**296**
Issuance of shares		**55**	**658**	**(412)**	**–**	**–**	**301**
Own shares		**–**	**–**	**(779)**	**–**	**779**	**–**
Total contributions by and distributions to owners		**55**	**658**	**(895)**	**–**	**779**	**597**
Total transactions with owners		**55**	**658**	**(895)**	**–**	**779**	**597**
Balance at 31 December 2009		**1,730**	**72,277**	**1,856**	**(22,845)**	**(391)**	**52,627**

	Notes	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 attributable to shareholders of the Company €'000
Balance as at 1 January 2008		1,662	70,997	2,567	(12,266)	(1,271)	61,689
Total comprehensive income for the year							
Profit for the year		–	–	–	1,830	–	1,830
Total comprehensive income for the year		–	–	–	1,830	–	1,830
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share–based payments	7	–	–	675	–	–	675
Issuance of shares		13	622	(390)	–	–	245
Own shares		–	–	(101)	–	101	–
Total contributions by and distributions to owners		13	622	184	–	101	920
Total transactions with owners		13	622	184	–	101	920
Balance at 31 December 2008		1,675	71,619	2,751	(10,436)	(1,170)	64,439

Consolidated and Company Statements of Cash Flow

for year ended 31 December 2009

Continuing operations	Notes	**Group 2009 €'000**	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Cash flows from operating activities					
Revenue, payments on account and deferred income received		**26,162**	30,539	**11,056**	20,579
Cash paid to suppliers		**(10,750)**	(20,664)	**(3,428)**	(9,328)
Cash paid to employees		**(11,861)**	(13,257)	**(403)**	(586)
Interest received		**126**	935	**113**	779
Interest paid		**(74)**	(83)	**–**	(1)
Service fees paid to subsidiaries		**–**	–	**(9,857)**	(7,793)
Income tax paid		**(657)**	(790)	**(70)**	–
Net cash from operating activities		**2,946**	(3,320)	**(2,589)**	3,650
Cash flows from investing activities					
Proceeds from sales of investments		**2**	11,182	**–**	–
Payment for acquisition of subsidiary		**–**	(348)	**–**	(27)
Net cash acquired with subsidiary		**–**	55	**–**	–
Settlement of deferred consideration	26	**(163)**	–	**–**	–
Acquisition of property, plant and equipment	12	**(127)**	(621)	**(56)**	(101)
Net cash from investing activities		**(288)**	10,268	**(56)**	(128)
Cash flows from financing activities					
Proceeds from the issue of share capital		**55**	–	**55**	–
Proceeds from new loan		**17**	–	**–**	–
Capital contribution paid		**–**	–	**–**	(864)
Repayment of borrowings		**(312)**	(163)	**–**	–
Net borrowing by subsidiaries		**–**	–	**(6,765)**	4,744
Payment of finance lease liabilities		**(200)**	(242)	**–**	–
Net cash from financing activities		**(440)**	(405)	**(6,710)**	3,880
Net increase/(decrease) in cash and cash equivalents		**2,218**	6,543	**(9,355)**	7,402
Cash and cash equivalents at 1 January		**26,155**	19,613	**26,059**	19,098
Effect of foreign exchange rate fluctuations on cash held		**(49)**	(1)	**(30)**	(441)
Cash and cash equivalents at 31 December	21	**28,324**	26,155	**16,674**	26,059

Notes

(Forming part of the financial statements)

1 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 2009 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.

The consolidated and separate financial statements were approved by the Board on 19 February 2010.

B Basis of preparation

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

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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most significant techniques for estimation are described in the accounting policies below and note 32.

The accounting policies set out below have been applied consistently in the year and 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 financial position of the Group, its performance, cash flows and liquidity position are set out in the Directors' report on page 12. In addition notes 23 and 24 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 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.

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% 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.

1 Accounting policies (continued)

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.

Change in accounting polices

The Group has adopted early IFRS 3 Business Combinations (2008) ('IFRS3') and IAS 27 Consolidated and Separate Financial Statements (2008) ('IAS27') for all business combinations occurring in the financial year starting 1 January 2009. All business combinations occurring on or after 1 January 2009 are accounted for by applying the acquisition method. The change in accounting policy is applied prospectively, although there have been no business combinations in the year.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group has adopted early IFRS 3 and IAS 27 for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009. The Group also applied IAS 27 for the disposal and acquisition of non-controlling interests that do not result in loss of control as explained in note 27.

Under the new accounting policy, acquisitions and disposals of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented 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. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

The Group has also applied IAS 27 in accounting for transactions which result in the loss of control of subsidiaries (see note 4). Under the new accounting policy transactions that result in loss of control are accounted for by derecognising the previously consolidated assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests in the former subsidiary and recognising the retained investment at its fair value at the date when control is lost and any consideration received. The resulting difference, including any related gains or losses previously recognised in other comprehensive income that qualify to be recycled to profit or loss, is recognised in profit or loss as a gain or loss on the disposal. Previously, the retained investment was recognised at the proportionate share of the previous carrying value. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

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 Clean 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 cash commission or non-cash carbon credit. 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 (where payment is due to Camco irrespective of a CDC's registration this criteria will not apply) and Camco has provided significantly all of its services.

1 Accounting policies (continued)

The timing of revenue collection is uncertain as carbon credits may be generated over subsequent years 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. Accrued income is derecognised and a cash or trade receivable asset recognised when the CERs or cash commission receivable under the CDC consultancy contracts are sold. 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. The Group and Company has taken advantage of the own use exemption in relation to carbon credits.

Treatment of CDC costs

CDC costs are presented under current assets as work in progress. CDCs acquired by the Group are recorded initially at cost (or fair value if through business combination).

Subsequently, 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 recovered 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 Under the change in accounting policy set out above in B, the Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisitions of non-controlling interests Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Subsequent measurement Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

1 Accounting policies (continued)

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. Other development expenditure is recognised in profit or loss as incurred.

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 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 foreign exchange rate at the date of transaction.

1 Accounting policies (continued)

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 foreign exchange rates ruling at the balance sheet date. The revenues and expenses of these operations are translated at rates approximating to the foreign 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.

L Available-for-sale financial assets

The Group's investments in equity 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.

M 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.

N 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.

Until 31 December 2008 the Company had been granted tax exempt status by the Jersey Comptroller of Income Tax for the year. Effective 1 January 2009, Jersey's tax regime changed, 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 years.

O 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 year during which the employees become unconditionally entitled to the options.

Long-Term Incentive Plan (the 'LTIP')

The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors) under a LTIP. 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.

Where the Company grants share-based payment awards over its own shares to employees of its subsidiaries it recognises the corresponding movement directly in equity and recharges in full the share based payment charge to the relevant subsidiary.

1 Accounting policies (continued)

Defined contribution pension 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.

P 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.

Q Segment reporting

A reporting segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All reporting segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

R 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 year. 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.

S 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.

T 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 and accrued costs. 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.

U 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.

V 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 2009, and have not been applied in preparing these consolidated financial statements:

- Amendments to IFRS 2 Group Cash-Settled Share based payment transactions (mandatory for years commencing on or after 1 January 2010): This standard is not expected to have an impact on the consolidated or company financial statements.
- Improvements to IFRS (issued 16 April 2009 and mandatory for years commencing on or after 1 July 2009): The application of this is expected to result in additional disclosure in the consolidated and company financial statements.
- Revised IAS 24 Related Party Disclosures (mandatory for years commencing on or after 1 January 2011): This standard is expected to result in additional disclosure in the consolidated and company financial statements.

2 Segmental reporting

Reporting segments

The Group comprises the following main reporting segments:

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

Inter-segment transactions are carried out at arms length.

Reporting segments

	Carbon		Advisory		Investment		Eliminations		Group	
	2009 €'000	2008 €'000	**2009 €'000**	2008 €'000	**2009 €'000**	2008 €'000	**2009 €'000**	2008 €'000	**2009 €'000**	2008 €'000
Revenue	**21,470**	31,340	**6,834**	8,027	**211**	2,096	**–**	–	**28,515**	41,463
Inter-segment revenue	**–**	–	**818**	809	**–**	–	**(818)**	(809)	**–**	–
Total segment revenue	**21,470**	31,340	**7,652**	8,836	**211**	2,096	**(818)**	(809)	**28,515**	41,463
Segment gross margin	**15,821**	17,372	**5,276**	7,389	**186**	1,025	**–**	(809)	**21,283**	24,977
Segment result	**8,385**	7,884	**(1,718)**	(437)	**(773)**	1,279	**–**	–	**5,894**	8,726
Unallocated expenses									**(3,258)**	(5,487)
Share-based payments									**(296)**	(675)
Restructuring charges									**(432)**	–
Impairment of goodwill on acquisition									**(11,973)**	–
Results from operating activities									**(10,065)**	2,564
Finance income									**1,228**	1,070
Finance expense									**(1,948)**	(1,408)
Taxation									**(130)**	(1,203)
(Loss)/profit for the year									**(10,915)**	1,023
Segment assets	**72,579**	70,272	**5,710**	13,266	**3,189**	2,712	**–**	–	**81,478**	86,250
Other investments	**–**	–	**–**	–	**225**	209	**–**	–	**225**	209
Unallocated assets									**1,070**	866
Total assets									**82,773**	87,325
Segment liabilities	**(28,788)**	(22,178)	**(2,448)**	(3,073)	**(1,153)**	(2,015)	**–**	–	**(32,389)**	(27,266)
Unallocated liabilities									**(729)**	(480)
Total liabilities									**(33,118)**	(27,746)
Capital expenditure	**268**	462	**162**	401	**3**	–	**–**	–	**433**	863
Depreciation	**413**	390	**299**	330	**2**	6	**–**	–	**714**	726
Amortisation of intangible assets	**–**	–	**337**	337	–	–	**–**	–	**337**	337
Impairment losses on goodwill, intangible assets and property, plant and equipment	**–**	–	**11,690**	–	**283**	167	**–**	–	**11,973**	167

3 Revenue

By reporting segments:	2009 €'000	2008 €'000
Carbon	**21,470**	31,340
Advisory	**6,834**	8,027
Investments	**211**	2,096
Total revenue	**28,515**	41,463

By domicile of Group entity:	2009 €'000	2008 €'000
Europe	**26,982**	38,098
Asia	**557**	701
North America	**338**	1,993
Africa	**638**	671
Total revenue	**28,515**	41,463

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of its customers. The Group derives carbon revenue from the provision of consultancy services to carbon clients under CDCs. With respect to this carbon revenue, the geographic analysis has been prepared based on the geographic location of the project that will generate the carbon credits. This location is not the geographic location of the carbon credit buyer and not necessarily where the services were performed. This distinction means that only €557,000 (2008: €701,000) of the revenue €21,915,000 (2008: €30,206,000) derived from The People's Republic of China was invoiced by Group entities domiciled in that region (all of which relates to the advisory business).

By geographic region:	2009 €'000	2008 €'000
United Kingdom	**5,512**	7,098
Russian Federation	**–**	841
The People's Republic of China	**21,915**	30,206
North America	**338**	1,993
Africa	**638**	849
Other	**112**	476
Total revenue	**28,515**	41,463

4 Other income

Other income-net gain on disposal of investment

On 9 July 2009, the Group disposed of its entire interest in ESD Bulgaria Limited for consideration of €2,000. The disposed entity had net liabilities resulting in a net gain on disposal of €45,000.

The 2008 transaction relates to the disposal of Dallas Clean Energy LLC.

	2009 €'000	2008 €'000
Disposal proceeds	**2**	13,092
Net liabilities/(assets) disposed	**43**	(9,326)
Net gain on disposal of investment	**45**	3,766

In the prior year 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.

On 31 December 2009, Renewable Energy Dynamics Holding Limited ('REDH') issued a call option as detailed in note 16 which resulted in the loss of control of the business. The business ceased to be consolidated and is now equity accounted for as an associate.

Upon derecognition of assets and non-controlling interests held by the Group in relation to this business and recognition of the Group's share of net assets at fair value a net gain of €265,000 arose which has been presented in the statement of comprehensive income.

4 Other income (continued)

	2009 €'000
Recognition of Group's ownership interest in associate at the end of the period	**1,146**
Assets of the Re-Fuel business derecognised	**(1,246)**
Non-controlling interest derecognised	**365**
Net gain on loss of control of the Re-Fuel business	**265**

Under the early adopted IFRS 3 and IAS 27 the non-controlling interest derecognised is transferred to the statement of comprehensive income where the gain on loss of control is recognised in the statement of comprehensive income.

Other income – negative goodwill arising on acquisition
During the year negative goodwill arose on the business combination MCF Finance and Consulting Co. Limited.

	2009 €'000	2008 €'000
MCF Finance and Consulting Co. Limited	**303**	267
Negative goodwill arising on acquisition	**303**	267

5 Expenses and auditors' remuneration

Included in comprehensive income are the following:

	2009 €'000	2008 €'000
Depreciation of property, plant and equipment – owned assets	**563**	504
Depreciation of property, plant and equipment – leased assets	**151**	222
Amortisation of intangible assets	**337**	337
Impairment loss on intangible assets	**–**	167
Share-based payments	**296**	675
Other administrative costs	**18,209**	22,927
Administration expenses	**19,556**	24,832
Other expenses – net loss on fund establishment costs	**–**	1,614
Restructuring charges	**432**	–
Administration expenses including restructuring and other expenses	**19,988**	26,446

Restructuring charges during the year are in relation to the restructuring instigated in the Advisory business with management changes in the second half of 2009 to bring it back towards profitability.

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:

	2009 €'000	2008 €'000
Audit of these financial statements	**137**	212
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**91**	195
Other services pursuant to such legislation	**–**	–
Other services relating to taxation	**–**	–
All other services	**–**	12
Total services	**228**	419

Fees payable to the Company's auditor for the audit of the Company's annual accounts includes a charge of €35,000 (2008: €49,000) 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 numbers and costs

The average number of persons employed by the group (including Directors) during the year, analysed by category, was as follows:

	2009 Number	2008 Number
Carbon	**89**	79
Advisory	**116**	132
Investments	**9**	6
Group	**27**	31
Total	**241**	248

The aggregate payroll costs of these persons were as follows:

	2009 €'000	2008 €'000
Wages and salaries	**10,099**	11,561
Share-based payments (see note 7)	**296**	675
Social Security costs	**1,022**	1,002
Contributions to defined contribution plans	**295**	296
Total	**11,712**	13,534

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

7 Share-based payments

During the year, the Group operated a share-based incentive plan for its employees called the LTIP. The charge for this scheme is as follows:

	2009 €'000	2008 €'000
Camco International Limited 2006 Executive Share Plan	**–**	189
Long-Term Incentive Plan	**296**	404
Employee bonus paid in shares	**–**	82
Total	**296**	675

Camco International Limited 2006 Executive Share Plan

The final awards in the Plan vested and were exercised in 2008. There were no outstanding awards at year-end or the previous year-end and the Plan is considered closed.

Long-Term Incentive Plan

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting years after 31 December 2009, 2010, 2011 and 2012 and upon certain market and non-market performance conditions being met for the reporting years ending 31 December 2009, 2010, 2011 and 2012.

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 years. 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 group over the vesting year. The comparator group consists of a basket of SmallCap companies at the grant date (adjusted for mergers, demergers and delistings during the performance year). 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 year 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.

7 Share-based payments (continued)

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.

	2009 Number of options	2008 Number of options
Outstanding at the beginning of the year	**9,954,689**	8,454,785
Granted during the year	**8,987,981**	2,008,474
Forfeited during the year	**(2,795,269)**	(508,570)
Vested during the year	**(3,542,388)**	–
Outstanding at the end of the year	**12,605,013**	9,954,689
Exercisable at the end of the year	**1,570,000**	–

	2009	2008
Weighted average share price at grant (€ cents)	**26.8**	69.2
Weighted average fair value of option (€ cents)	**6.9**	17.0
Exercise price (€ cents)	**1.0**	1.0
Weighted average life at grant (years)	**1.9**	2.2

The shares outstanding at the end of the year have a remaining contractual life ranging from 0 to 3 years.

8 Retirement obligations

Defined contribution plans In the UK, the Group operates two defined contribution retirement benefit plans for qualifying employees. The assets of this plan 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 statement of comprehensive income is €295,000 (2008: €296,000), which represents the contributions paid to the plan. There were no outstanding payments due to the plan at the balance sheet date.

9 Net finance expense

	2009 €'000	2008 €'000
Finance income		
Interest on bank deposits	**122**	754
Unwinding of discount on accrued revenue	**695**	163
Foreign exchange movements – realised	**357**	153
Other interest – receivable	**54**	–
Total finance income	**1,228**	1,070
Finance expense		
Unwinding of discount on deferred consideration (see note 26)	**(11)**	(108)
Unwinding of discount on accrued costs	**(82)**	–
Interest on overdraft and borrowings	**(25)**	(81)
Interest on finance lease creditor	**(28)**	(22)
Other interest – payable	**(1,197)**	(438)
Foreign exchange movements – unrealised	**(101)**	(731)
Foreign exchange movements – realised	**(504)**	(28)
Total finance expense	**(1,948)**	(1,408)
Net finance expense	**(720)**	(338)

10 Taxation

Recognised in the income statement

	2009 €'000	2008 €'000
Current tax expense:		
Jersey corporation tax	**–**	–
Foreign tax	**(36)**	(1,297)
Adjustments recognised in the current year in relation to the current tax of prior years	**(47)**	–
Total current tax expense	**(83)**	(1,297)
Deferred tax expense:		
Movement in deferred tax assets and liabilities	**(47)**	94
Total income tax in the income statement	**(130)**	(1,203)

The tax charge for the period is different to the 0% rate (2008: 0%) of corporation tax in Jersey and the differences are explained below:

Reconciliation of effective tax rate

	2009 €'000	2008 €'000
(Loss)/profit before tax	**(10,785)**	2,226
Profit before tax multiplied by 0% rate of corporation tax in Jersey (2008: 0%)	**–**	–
Effects of:		
Different tax rates of subsidiaries operating in other jurisdictions	**(40)**	(1,297)
Non-deductible expenses	**(165)**	–
Change in temporary timing differences	**201**	94
Deferred tax movement not recognised	**(79)**	–
Adjustments recognised in the current year in relation to prior years	**(47)**	–
Total income tax in the income statement	**(130)**	(1,203)

Tax recognised directly in equity

	2009 €'000	2008 €'000
Deferred tax recognised directly in equity	**41**	–
Total tax recognised directly in equity	**41**	–

Until 31 December 2008 the Company had been granted tax exempt status by the Jersey Comptroller of Income Tax for the year. Effective 1 January 2009, Jersey's tax regime changed, 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 years.

The Company's subsidiaries carry on business in other tax regimes where the corporation tax rate is not 0%. At 31 December 2009, the Group had UK tax losses carried forward for utilisation in future periods amounted to €795,000 (2008: €1,719,000). 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.

10 Taxation (continued)

Deferred tax

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

	2009 €'000	2008 €'000
Deferred tax asset at 1 January	**292**	414
Arising on acquisition of ESD in respect of losses carried forward	**–**	–
Foreign exchange movement	**24**	(122)
Current year charge	**(141)**	–
Deferred tax recognised for share based payment in equity	**41**	–
Deferred tax asset 31 December	**216**	292

	2009 €'000	2008 €'000
Deferred tax liability at 1 January	**(315)**	(409)
Utilised in the period	**94**	94
Deferred tax liability 31 December	**(221)**	(315)

11 (Loss)/profit per share

(Loss)/profit per share attributable to equity holders of the Company is calculated as follows:

	2009 € cents per share	2008 € cents per share
Basic (loss)/profit per share	**(6.43)**	0.62
Diluted (loss)/profit per share	**(6.38)**	0.60

	€'000	€'000
(Loss)/profit used in calculation of basic and diluted (loss)/profit per share	**(10,915)**	1,023
Weighted average number of shares used in calculation – basic	**169,634,966**	165,314,890
Weighted average number of shares used in calculation – diluted	**171,204,246**	171,061,611

Weighted average number of shares used in calculation – basic	Company 2009 Number	Company 2008 Number
Number in issue at 1 January	**167,509,965**	166,151,068
Effect of own shares held	**(4,000,619)**	(3,470,476)
Effect of share options exercised	**1,817,870**	1,750,027
Effect of shares issued in the year	**4,307,750**	884,271
Weighted average number of basic shares at 31 December	**169,634,966**	165,314,890

Weighted average number of shares used in calculation – diluted	Company 2009 Number	Company 2008 Number
Number in issue at 1 January	**167,509,965**	166,151,068
Effect of own shares held	**(4,000,619)**	(3,470,476)
Effect of share options exercised	**1,817,870**	1,750,027
Effect of shares issued in the year	**4,307,750**	884,271
Dilutive effect of share options granted	**1,569,280**	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	**171,204,246**	171,061,611

12 Property, plant and equipment

Computer and office equipment	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Cost at 1 January	**1,560**	1,596	**262**	161
Additions	**122**	1,229	**56**	101
Disposals	**(106)**	(855)	**–**	–
Acquisitions through business combinations	**–**	16	**–**	–
Effect of movements in foreign exchange	**114**	(426)	**–**	–
Cost at 31 December	**1,690**	1,560	**318**	262
Accumulated depreciation at 1 January	**(693)**	(381)	**(130)**	(55)
Charge for the year	**(563)**	(600)	**(89)**	(75)
Disposals	**53**	1	**–**	–
Effect of movements in foreign exchange	**(47)**	287	**–**	–
Accumulated depreciation at 31 December	**(1,250)**	(693)	**(219)**	(130)
Net book value at 1 January	**867**	1,215	**132**	106
Net book value at 31 December	**440**	867	**99**	132

Leasehold improvements	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Cost at 1 January	**566**	416	**–**	–
Additions	**5**	150	**–**	–
Disposals	**(4)**	–	**–**	–
Effect of movements in foreign exchange	**25**	–	**–**	–
Cost at 31 December	**592**	566	**–**	–
Accumulated depreciation at 1 January	**(151)**	(25)	**–**	–
Charge for the year	**(151)**	(126)	**–**	–
Disposals	**2**	–	**–**	–
Effect of movements in foreign exchange	**(4)**	–	**–**	–
Accumulated depreciation at 31 December	**(304)**	(151)	**–**	–
Net book value at 1 January	**415**	391	**–**	–
Net book value at 31 December	**288**	415	**–**	–

Total property, plant and equipment	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Cost at 1 January	**2,126**	2,012	**262**	161
Additions	**127**	1,379	**56**	101
Disposals	**(110)**	(855)	**–**	–
Acquisitions through business combinations	**–**	16	**–**	–
Effect of movements in foreign exchange	**139**	(426)	**–**	–
Cost at 31 December	**2,282**	2,126	**318**	262
Accumulated depreciation at 1 January	**(844)**	(406)	**(130)**	(55)
Charge for the year	**(714)**	(726)	**(89)**	(75)
Disposals	**55**	1	**–**	–
Effect of movements in foreign exchange	**(51)**	287	**–**	–
Accumulated depreciation at 31 December	**(1,554)**	(844)	**(219)**	(130)
Net book value at 1 January	**1,282**	1,606	**132**	106
Net book value at 31 December	**728**	1,282	**99**	132

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 2009 the net carrying amount of leased computer and office equipment was €93,000 (2008: €257,000).

13 Goodwill on acquisition and other intangible assets

	Group 2009 €'000 Goodwill on acquisition	**Group 2009 €'000 Other intangible assets**	**Group 2009 €'000 Total**	Group 2008 €'000 Goodwill on acquisition	Group 2008 €'000 Other intangible assets	Group 2008 €'000 Total
Cost at 1 January	**14,120**	**2,520**	**16,640**	14,413	1,685	16,098
Acquisitions – through business combinations	**–**	**–**	**–**	1,040	882	1,922
Acquisitions – internally developed	**–**	**198**	**198**	–	167	167
Revision to original purchase consideration	**–**	**–**	**–**	(1,333)	–	(1,333)
Disposal		**(929)**	**(929)**	–	–	–
Foreign exchange movement	**2**	**63**	**65**	–	(214)	(214)
Cost at 31 December	**14,122**	**1,852**	**15,974**	14,120	2,520	16,640
Amortisation at 1 January	**–**	**(726)**	**(726)**	–	(222)	(222)
Amortisation charge	**–**	**(337)**	**(337)**	–	(337)	(337)
Impairment loss	**(11,973)**	**–**	**(11,973)**	–	(167)	(167)
Accumulated amortisation & impairment at 31 December	**(11,973)**	**(1,063)**	**(13,036)**	–	(726)	(726)
Net book value at 1 January	**14,120**	**1,794**	**15,914**	14,413	1,463	15,876
Net book value at 31 December	**2,149**	**789**	**2,938**	14,120	1,794	15,914

The Company's Advisory business was subject to difficult trading conditions in the UK market in the first half of 2009. This resulted in a first half performance significantly below management's expectations. This challenging environment led to a goodwill impairment of €11.7 million arising on the acquisition of ESD Partners Ltd in April 2007. The Company instigated a restructuring in the Advisory business with management changes in the second half of 2009 to bring it back towards profitability. Note 32 details the valuation methods used to determine the carrying value.

Following the loss of control of the Re-Fuel business (note 4) leading to equity accounting for this investment at fair value, the Director's considered there was no further support for the related goodwill on this business. An additional €283,000 impairment charge has been made to remove this balance. The Re-Fuel business is allocated to the Investment and Advisory reporting segments.

14 Business combinations

The following business combinations took place in the year ended 31 December 2008 and have been accounted for under the previously applied IFRS3.

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.

Fair value of identifiable net liabilities of CWEV at date of acquisition	Acquiree's book values €'000	Provisional fair value adjustments €'000	Provisional acquisition amounts €'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)

14 Business combinations (continued)

Net cash flow on acquisition of CWEV	€'000
Cash consideration	–
Acquisition costs	27
Cash and cash equivalents acquired	(57)
Net cash inflow	(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 the 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 and 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.

Re-Fuel Tech Limited

On 1 January 2008, the Group increased its holding in 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)
Non-controlling interest	(220)	–	(220)
Net identifiable assets acquired	652	–	652

14 Business combinations (continued)

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 Investment in subsidiaries

	Company	
	2009 €'000	2008 €'000
Cost at 1 January	**19,929**	18,020
Acquisition through business combinations	**–**	390
Revision to original purchase consideration	**–**	(204)
Capital contributions made to subsidiaries	**–**	1,723
Cost at 31 December	**19,929**	19,929
Provision for impairment at 1 January	**(2,703)**	–
Impairment of investments in subsidiaries	**(7,848)**	(2,703)
Provision for impairment at 31 December	**(10,551)**	(2,703)
Net book value at 1 January	**17,226**	18,020
Net book value at 31 December	**9,378**	17,226

The Company's Advisory investment (ESD Partners Limited and subsidiaries) was subject to difficult trading conditions in the UK market in the first half of 2009. This resulted in a first half performance significantly below management's expectations. This challenging environment led to an impairment of the investment in ESD Partners Ltd of €7.8 million. The Company instigated a restructuring in the Advisory business with management changes in the second half of 2009 to bring it back towards profitability. Note 32 details the valuation methods used to determine the carrying value.

The impairment in the prior year relates to Camco GmbH. A full list of significant subsidiaries is provided in note 30.

16 Equity accounted investees and joint ventures

The Group's share of profit in its equity accounted investees and joint ventures for the year was €nil (2008: €1,000). The Group has not recognised losses relating to ESD Biomass Ltd and Camco International Ltd (UK registered), totalling €22,000 since acquisition through business combination, as the Group has no obligation in respect of these losses. The Group has recognised its share of the net assets of Renewable Energy Dynamics Holdings Limited ('REDH') being €1,146,000.

16 Equity accounted investees and joint ventures (continued)

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

2009	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit/(loss) €'000
ESD Biomass Limited	Joint venture	50%	1	(80)	(79)	–	(3)	(3)
Camco Int. Limited	Joint venture	50%	–	–	–	–	–	–
REDH	Associate	68.7%*	1,667	–	1,667	–	–	–

* On 16 December 2009 REDH issued a call option that was immediately exercisable which if exercised would result in the Group no longer having control and as such the company has accounted for REDH as an associate from this date onwards.

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

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.

17 Other investments

	Group 2009 €'000	Group 2008 €'000
Fair value at 1 January	**209**	275
Foreign exchange movements	**16**	(66)
Fair value at 31 December	**225**	209
Share of loss at 1 January	**–**	–
Share of loss at 31 December	**–**	–
Net book value at 1 January	**209**	275
Net book value at 31 December	**225**	209

The available for sale investments held at 31 December 2009 are listed below. The investments are recorded at fair value.

	Holdings	€'000	€'000
Renewable Energy Partnerships Ltd	7.50%	**222**	206
Energy Mixx AG	0.02%	**3**	3
Fair value at 31 December		**225**	209

18 Work in progress – carbon development contracts

	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Carbon development contracts	**7,321**	8,490	**5,391**	5,639

19 Prepayments and accrued income

	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Prepayments	**3,326**	2,497	**2,482**	2,195
Accrued income – CDC accruals	**32,450**	24,988	**16,705**	24,400
Accrued income – other accruals	**1,320**	1,060	**–**	–
	37,096	28,545	**19,187**	26,595

20 Trade and other receivables

	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Interest receivable	**54**	28	**–**	28
Trade receivables	**2,089**	2,932	**54**	733
Other receivables	**2,497**	2,569	**288**	290
Amounts due from subsidiary undertakings	**–**	–	**27,567**	7,678
	4,640	5,529	**27,909**	8,729

21 Cash and cash equivalents

	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Cash on deposit	**25,463**	27,064	**13,674**	26,059
Cash equivalents – 3 month deposit	**3,000**	–	**3,000**	–
Bank overdrafts used for cash management purposes (see note 25)	**(139)**	(909)	**–**	–
Cash and cash equivalents in the cash flow statements	**28,324**	26,155	**16,674**	26,059

22 Trade and other payables

	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Trade payables and non-CDC accruals	**8,862**	5,143	**4,153**	1,705
Other accruals – CDC accruals	**4,473**	2,882	**3,421**	2,882
Payment on account received	**17,100**	15,000	**17,100**	15,000
Deferred income	**1,039**	742	**–**	–
Amounts due to subsidiary undertakings	**–**	–	**1,337**	354
	31,474	23,767	**26,011**	19,941

23 Financial risk management

The Group and Company Financial Risk Management 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 actively manage this risk, however it does seek to lock in contract certainty in floor price when beneficial opportunities arise. Currently a €1 per tonne increase in the market price for CERs would affect a €25 million increase in income over the next 3 years.

Price risk The Company manages the CER price risk exposure through forward sales of CERs it is due to receive.

Credit risk The Group's exposure to credit risk arises from the Group's receivables from customers. The Group has implemented a credit scoring process using an external credit scoring organisation for all new customers (and existing customers of a certain size) that highlights credit risk and aids the prevention of bad debt. Credit risk is analysed further in note 24.

23 Financial risk management (continued)

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 24.

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
Balances at 31 December 2009	**26,514**	**239**	**259**	**158**	**814**	**39**	**301**	**28,324**
Balances at 31 December 2008	26,331	(811)	344	82	163	37	9	26,155

Interest rate risk The Group has €139,000 (2008: €909,000) 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 €11,000 (2008: €108,000).

Capital Management The Group's capital is solely equity. 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 or dividend policy. The Group is not subject to any externally imposed capital adequacy maintenance requirements.

24 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 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Trade and other receivables	**4,640**	5,529	**27,909**	8,729
Cash on deposit	**28,463**	27,064	**16,674**	26,059
Total	**33,103**	32,593	**44,583**	34,788

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

	Group 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
European Countries	**2,747**	2,802	**26,496**	5,348
Russian Federation	**–**	–	**–**	2
The People's Republic of China	**129**	275	**921**	349
United States of America	**1,535**	2,002	**104**	2,692
Africa	**228**	450	**24**	8
Other	**1**	–	**364**	330
Total	**4,640**	5,529	**27,909**	8,729

24 Financial instruments (continued)

Impairment losses

The aging of trade and other receivables at the balance sheet date was:

	Group		Group		Company		Company	
	Gross 2009 €'000	**Impairment 2009 €'000**	Gross 2008 €'000	Impairment 2008 €'000	**Gross 2009 €'000**	**Impairment 2009 €'000**	Gross 2008 €'000	Impairment 2008 €'000
Current	**3,760**	**–**	3,535	–	**27,853**	**–**	8,435	–
Past due under 30 days	**358**	**–**	419	–	**39**	**–**	30	–
Past due between 31 and 120 days	**203**	**(17)**	1,008	(5)	**17**	**(17)**	47	–
Past due between 121 and 1 year	**130**	**–**	656	(93)	**17**	**–**	212	–
Past due more than 1 year	**255**	**(49)**	169	(160)	**–**	**–**	5	–
Total	**4,706**	**(66)**	5,787	(258)	**27,926**	**(17)**	8,729	–

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

	Group 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Balance at 1 January	**(258)**	–	**–**	–
Utilised and released in the period	**258**	–	**–**	–
Impairment loss recognised	**(66)**	(258)	**(17)**	–
Balance at 31 December	**(66)**	(258)	**(17)**	–

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 years corresponding to this.

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

Non-derivative financial instruments	**Group Carrying 2009 €'000**	**Group Contractual 2009 €'000**	**Group 1 year or less 2009 €'000**	**Group 1–2 years 2009 €'000**	**Group 2–3 years 2009 €'000**	**Group 3–4 years 2009 €'000**	**Group More than 4 years 2009 €'000**
Finance lease liabilities	**85**	**(100)**	**(93)**	**(7)**	**–**	**–**	**–**
Secured bank loans	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Unsecured loans	**17**	**(17)**	**(17)**	**–**	**–**	**–**	**–**
Bank overdraft	**139**	**(139)**	**(139)**	**–**	**–**	**–**	**–**
Non-CDC trade and other payables	**8,862**	**(8,862)**	**(8,862)**	**–**	**–**	**–**	**–**

Non-derivative financial instruments	Group Carrying 2008 €'000	Group Contractual 2008 €'000	Group 1 year or less 2008 €'000	Group 1-2 years 2008 €'000	Group 2-3 years 2008 €'000	Group 3-4 years 2008 €'000	Group More than 4 years 2008 €'000
Finance lease liabilities	235	(279)	(190)	(83)	(6)	–	–
Secured bank loans	68	(72)	(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)	–	–	–	–

24 Financial instruments (continued)

Non-derivative financial instruments	**Company Carrying 2009 €'000**	**Company Contractual 2009 €'000**	**Company 1 year or less 2009 €'000**	**Company 1-2 years 2009 €'000**	**Company 2-3 years 2009 €'000**	**Company 3-4 years 2009 €'000**	**Company More than 4 years 2009 €'000**
Non-CDC trade and other payables	**5,267**	**(5,267)**	**(5,267)**	**–**	**–**	**–**	**–**

Non-derivative financial instruments	Company Carrying 2008 €'000	Company Contractual 2008 €'000	Company 1 year or less 2008 €'000	Company 1-2 years 2008 €'000	Company 2-3 years 2008 €'000	Company 3-4 years 2008 €'000	Company More than 4 years 2008 €'000
Non-CDC trade and other payables	2,059	(2,059)	(2,059)	–	–	–	–

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

25 Loans and borrowings

Non-current liabilities	Currency	Nominal Rate	Maturity	**Group 2009 €'000**	Group 2008 €'000
Finance lease liabilities	GBP	Various	2011	**5**	75
Total				**5**	75

Current liabilities				**€'000**	€'000
Secured bank overdraft	GBP	Base+2.5%	2010	**139**	909
Secured bank loan	GBP	Base+3.0%	2009	**–**	68
Unsecured loan	USD	Various	2009	**–**	289
Unsecured loan	GBP	0%	2010	**17**	–
Finance lease liabilities	GBP	Various	2010	**80**	160
Total				**236**	1,426

26 Deferred consideration

	Group 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Balance at 1 January	**750**	2,236	**–**	–
Arising from acquisition in the year	**–**	178	**–**	178
Revision to original purchase consideration of MCF	**(303)**	(1,423)	**–**	–
Revision to original purchase consideration of CWEV	**–**	(204)	**–**	(204)
Settled in the year*	**(407)**	(127)	**–**	–
Unwinding of discount	**11**	108	**–**	7
Foreign exchange movements	**8**	(18)	**–**	19
Balance at 31 December	**59**	750	**–**	–

* Settlement was made in cash (€163,000) and shares (€244,000).

27 Issued share capital and reserves

	Number 2009 '000	2009 €'000	Number 2008 '000	2008 €'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	**167,510**	**1,675**	166,151	1,662
Issued as consideration in business combinations	**–**	**–**	420	4
Issued for share-based payments	**5,498**	**55**	939	9
Issued at 31 December	**173,008**	**1,730**	167,510	1,675

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 year the Company issued 5,497,620 ordinary shares for a consideration of €714,000 settled in deferred consideration settlement (€284,000) and shares transferred to employees to satisfy share-based payments (€432,000).

As at 31 December 2009, the EBT held 203,313 ordinary shares of the Company (2008: 1,410,476), acquired for a total consideration of €178,371. 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 €178,371. The EBT shares have a nominal value of €2,033 representing 0.12% of the issued share capital of the Company.

The shares held by the EBT had a market value of €45,181 at 31 December 2009 (2008: €331,000).

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 2009 the Group held 203,313 ordinary shares of the Company's shares (2008: 1,410,476).

Non-controlling interest
As described in accounting policy B (note 1), the Group has early adopted IAS 27 and as a result acquisitions and disposals of minority interest that do not result in loss of control are accounted for directly within equity. During the period the Group has increased its effective interest in Re-Fuel from 75% to 78%. The Group also set up a new subsidiary during the period, REDH with an original effective interest of 88% which was decreased to 68.7% prior to loss of control as set out in note 4. Gains or losses arising on these transactions have been recognised directly within equity under 'Changes in ownership interests in subsidiaries that do not result in a loss of control'.

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

Operating lease commitments	Group 2009 €'000	Group 2008 €'000	Company 2009 €'000	Company 2008 €'000
Office rental charges within 1 year	**671**	830	**–**	–
Office rental charges between 1 year and 5 years	**792**	1,479	**–**	–
Office rental charges after 5 years	**–**	–	**–**	–
Total	**1,463**	2,309	**–**	–

29 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 the ESD acquisition.

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

The related business partner is Consortia Partnership Limited ('Consortia') which 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 are shown in the table below.

Income statement

	Group 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Administrative expenses:				
ClearWorld Energy Limited	**25**	84	**25**	84
Consortia Partnership Limited	**123**	102	**123**	102
KWI Consulting AG	**30**	–	**–**	–
Other income statement:				
ClearWorld Energy Limited – revenue	**3**	–	**3**	–
ClearWorld Energy Limited – interest expense	**25**	–	**–**	–

Balance sheet

	Group 2009 €'000	Group 2008 €'000	**Company 2009 €'000**	Company 2008 €'000
Trade and other receivables:				
KWI Consulting AG	**47**	54	**–**	–
Trade and other payables:				
ClearWorld Energy Limited	**9**	11	**9**	11
Consortia Consulting	**25**	8	**25**	8
Loans and borrowing:				
ClearWorld Energy Limited	**–**	289	**–**	–

Key management personnel

The Group's key management personnel comprise 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 31.

In addition to the emoluments outlined in the Report of the Remuneration Committee and shares held in the Company (note 31), 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 €27,000 (2008: €19,000) each during the year. At 31 December 2009 and shortly following the exercise of LTIP awards, Scott McGregor owed Camco Services (UK) Limited €7,000 relating to income tax paid by the company on his behalf. It is ordinary course of business and in accordance with the LTIP scheme rules for income tax on share awards to be paid in full by the company on behalf of its employees and any deficit recouped from subsequent earnings. The amount was fully repaid in January 2010.

Equity accounted investees and joint ventures

The net amounts receivable from equity accounted investees and joint venture is €9,000 (2008: €4,000).

29 Related parties (continued)

Subsidiaries

The Company has entered into service 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 advice 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:

	Company	
Service fee income:	**2009 €'000**	2008 €'000
CI Camco (Cyprus) Limited	**–**	113
Camco GmbH	**–**	75
Service fee expenses:		
Camco Services (UK) Limited	**(4,992)**	(5,142)
Camco Advisory Services Limited	**(1,141)**	(3,301)
Camco (Mauritius) Limited	**(3,724)**	(2,769)

The Balance sheet position with each subsidiary is analysed below:

Balance sheet

	Company	
Amounts due from subsidiary undertakings:	**2009 €'000**	2008 €'000
Camco Services (UK) Limited	**–**	–
CI Camco (Cyprus) Limited	**3**	2,598
Camco (Mauritius) Limited	**364**	330
Camco Ventures Limited	**147**	138
Camco International Carbon Assets Information Consulting (Beijing) Co. Limited	**516**	379
Camco South Africa (Pty) Limited	**19**	6
Camco International Group, Inc.	**–**	2,692
Camco GmbH	**–**	33
Camco Ventures (China) Ltd	**396**	96
Camco DCE Limited	**103**	243
Camco Advisory Services Limited	**4,189**	1,408
ESD Partners Limited	**6**	4
ESD Africa Limited	**5**	2
ESD Bulgaria Limited	**–**	2
Edinburgh Centre for Carbon Management Limited	**10**	7
EPES Limited	**127**	50
Camco Environmental Solutions Limited (formerly known as Bradshaw Consulting Limited)	**16**	8
Re-Fuel Technology Limited	**8**	4
Camco Carbon Limited	**6**	1
Camco Voluntary Credits Limited	**87**	29
Camco Carbon Russia Limited	**8**	2
Camco Yangquan Carbon Limited	**8,707**	–
Camco Carbon Pool Limited	**11,455**	–
Camco Credit Pool Limited	**1,395**	–

29 Related parties (continued)

Amounts due to subsidiary undertakings: (continued)	Company €'000	€'000
Camco Services (UK) Limited	**(1,034)**	(278)
Camco Advisory Services (Beijing) Limited	**–**	(30)
Camco Sales Limited	**(50)**	(46)
Camco GmbH	**(63)**	–
Camco Russian Branch	**(190)**	–

During the period the Company has provided against intercompany assets where management considers the balances may not be recoverable. The provisions made are €3.7 million with CI Camco (Cyprus) Limited and €5.1 million with Camco International Group, Inc.

30 Group entities

Significant subsidiaries

Investment	Country of incorporation	Principal activity	Ownership 2009	2008
Direct subsidiary undertakings				
Camco Services (UK) Limited	England & 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	Hong Kong	Holding company & Consultancy	**100%**	100%
ESD Partners Limited	England & Wales	Holding company & Consultancy	**100%**	100%
Camco Carbon Credits Limited	Jersey	Carbon contractor	**100%**	100%
Camco Carbon Russia Limited	Jersey	Carbon contractor	**100%**	100%
Camco Carbon Pool Limited	Jersey	Carbon contractor	**100%**	100%
Camco Credit Pool Limited	Jersey	Carbon contractor	**100%**	100%
Camco DCE Limited	Jersey	Holding Company	**100%**	100%
Camco Sales Limited	England & Wales	Dormant	**100%**	100%
Camco Voluntary Credits Limited	Jersey	Carbon contractor	**100%**	100%
Camco Ventures (Hong Kong) Limited	Hong Kong	Carbon contractor	**100%**	100%
Camco Yangquan Limited	Jersey	Carbon contractor	**100%**	100%
Indirect subsidiary undertakings				
Camco Russian branch	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 (Proprietary) Limited	Republic of South Africa	Business services	**100%**	100%
Camco Advisory Services Limited	England & Wales	Research & Consultancy	**100%**	100%
Camco Ventures Limited	England & Wales	Research & Consultancy	**100%**	100%
ESD Carbon Services Limited	England & Wales	Dormant Company	**100%**	100%
ESD Carbon Systems Limited	England & Wales	Research & Consultancy	**100%**	100%
Real Energy Projects Limited	England & Wales	Dormant Company	**100%**	100%
EPES Limited	England & Wales	Building certification software	**85%**	90%
Re-Fuel Technology Limited	England & Wales	Fuel Cell Research & Development	**78%**	75%
Camco International Group, Inc.	United States of America	Business services	**100%**	100%
Camco Environmental Services Limited	England & Wales	Software consultancy	**100%**	100%

30 Group entities (continued)

Indirect subsidiary undertakings: (continued)

Investment	Country of incorporation	Principal activity	Ownership 2009	2008
Camco DCE Limited	Jersey	Research & Consultancy	**100%**	100%
Camco Advisory Services (Kenya) Limited	Kenya	Software consultancy	**100%**	100%
Camco Advisory Services (Tanzania) Limited	Tanzania	Software consultancy	**100%**	100%
Camco International Limited	England & Wales		**100%**	100%
Edinburgh Centre for Carbon Management Limited	England & Wales	Research & Consultancy	**100%**	100%
Camco Advisory Services (Hong Kong) Limited	Hong Kong	Holding company & Consultancy	**100%**	100%
Camco Advisory Services (Beijing) Limited	China	Research & Consultancy	**100%**	100%

31 Directors' share interests

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

	Number 2009	2008
Executive Directors		
Scott McGregor	**1,033,929**	259,709
Jeff Kenna	**3,579,763**	2,930,269
Non-Executive Directors		
David Potter	**222,513**	222,513
Michael Farrow	**81,158**	81,158
Dr Herta von Stiegel	**81,239**	81,239

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 16 to 17.

32 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.

	Group 2009 €'000	2008 €'000
Work in progress – carbon development contracts	**7,321**	8,490

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 year less a discount for assumed selling costs or 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.

Future service costs On determination of the fair value of consideration receivable under CDCs an estimation is made of any future service costs related to the revenue and an accrual recognised. The future service costs comprise the minimal verification and monitoring costs associated with ensuring that the carbon credits produced by the projects are registered and Camco receives its reward. These costs do not represent significant services as provided under the CDCs, as all such services are provided prior to revenue recognition.

32 Accounting estimates and judgements (continued)

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.

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 a project or projects collectively under one legal contract, being a 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 have been allocated to cash generating units as follows:

2009

Non-current liabilities	Carbon €'000	CGUs Advisory €'000	Investments €'000	Total 2009 €'000
ESD Partners Limited	–	**1,203**	–	**1,203**
Camco Environmental Solutions Limited	–	**394**	–	**394**
Re-Fuel Technology Limited	–	–	–	–
ClearWorld Energy Ventures Limited	**288**	–	**144**	**432**
Camco Advisory Services (Beijing) Limited	–	**120**	–	**120**
Total	**288**	**1,717**	**144**	**2,149**

2008

Non-current liabilities	Carbon €'000	CGUs Advisory €'000	Investments €'000	Total 2008 €'000
ESD Partners Limited	10,890	1,200	800	12,890
Camco Environmental Solutions Limited	–	394	–	394
Re-Fuel Technology Limited	–	–	284	284
ClearWorld Energy Ventures Limited	288	–	144	432
Camco Advisory Services (Beijing) Limited	–	120	–	120
Total	11,178	1,714	1,228	14,120

The goodwill arising on the acquisition of ESD Partners Limited was allocated between the three CGUs to reflect management's view on where value generation would occur going forward.

Management believed that the £10.9 million allocated to the Carbon CGU and also allocated to investments related to the expected synergistic benefits arising from the expertise and experience of the ESD team.

32 Accounting estimates and judgements (continued)

It became apparent during 2009 that the synergistic benefits had not arisen to the extent expected and so management took the view to impair the goodwill.

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 Partners Limited, Camco Environmental Solutions Limited and Camco Advisory Services (Beijing) Limited ('Advisory business'), a year on year profit growth of 10% (2008: 10%) has been assumed for three years after which a growth rate of 0% (2008: 3%). The growth assumption is considered appropriate due to the low starting point. A cost reduction plan was implemented in 2009 across the Group which will drive down costs leading to additional improvements to margins.
- For the Advisory CGU a discount rate of 6% (2008: 12%) has been used. For Carbon and Investment CGUs a discount rate of 12% (2008: 15%) has been used. These rates represent 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 CWEV, value is expected to be realised through contribution to the Carbon and Investment CGUs, specifically the origination of carbon projects and placement of managed funds into carbon projects. To this end, the goodwill has been tested against the NPV of specific projects and investment plans expected to occur in 2010 and beyond.
- 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.

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