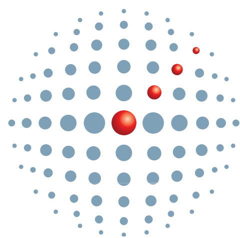

camco clean energy

Camco Clean Energy plc

Annual report and financial statements
Jersey registered 92432
31 December 2014

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Chairman's report

Camco has always been at the leading edge of changes in the energy markets and 2014 was no exception. We have products and services in three growing markets. There is a huge latent demand for storage in the electricity sector as markets shift to distributed generation. Clean energy and storage demand specifically in Africa is growing exponentially with significant capital flowing into sub Saharan Africa – around 1.8 GW of new capacity was installed in 2014.

As the market for carbon credits collapsed in 2012, the Board's primary concern was to ensure that we have the funds necessary to grow the business and the 2014 placing and the prior sale of the UK Consulting business in 2012 and South East Asia Joint Venture in 2013 has enabled us to do this. It was therefore refreshing that our Board meetings in 2014 could focus on growth in our business. Early in 2014 we adopted a strategy of developing each of our 3 business units and the management team were tasked with key performance indicators to ensure that each unit was delivering shareholder value by the year end – either through the provision of new services such as the funds management in Africa or through product development such as the manufacturing agreement with Jabil Circuit Inc.

The creation of long term shareholder value is the fundamental role of the Board and has been central to our discussions at Board meetings. Delivering on KPIs is one thing but this needs to be translated into increases in share price. We recognise that the business units are disparate and at some stage there will need to be a reorganisation so that there is a very clear focus. Businesses succeed by focussing and it gives investors greater confidence and ultimately this gets reflected in share price.

2015 is already showing great promise and the early orders received by REDT are encouraging. There is no doubt that electricity storage is going to be a technology that is commonplace on our electricity networks just as the coal powered generation was. The recent announcement by Tesla Motors Inc., in which they launched their home battery product on cost effective pricing, is evidence of this. Different technologies will be suitable for different end uses and REDT shines in applications where life expectancy and long duration are required.

Once again, I would like to thank my fellow non-executive directors, management and staff for the contributions that they have made to the Group in the past year. I look forward to reporting a successful 2015.

Jeffrey Kenna
Chairman
1 June 2015

Chief executive officer's report

Summary and Outlook

2014 will stand out as a defining year for Camco Clean Energy.

In the outlook section in our 2013 report and accounts we said that we had started 2014 with some exciting opportunities with 3 clearly defined business units having demonstrable growth strategies and an operational cost base that had been reduced to the absolute minimum whilst retaining the necessary functionality.

I am pleased to report that 2014 saw great progress as anticipated across all three of these business units and we continue to be focused on building long term equity value for our shareholders.

In the US Clean Energy business, we integrated the acquisition of the Twin Falls Facility successfully into our wider US biogas operations and this facility, alongside the Jerome Facility, performed well in the year. The US team was also awarded 2014 Project Developer of the year by the Climate Action Reserve for its activities in the California's cap-and-trade program (the "California Program") which is a testimony to our strength across this market.

In the Africa Clean Energy business, we were privileged to be awarded a mandate to act as joint investment advisers to Green Africa Power LLP ("GAP") using our long established consulting business in the region as a platform. We are also well positioned to win further similar mandates and build on this success.

The area which perhaps attracts the most interest currently is our energy storage business – REDT. The ability to store energy on a cost effective basis is one of the key challenges facing the world today and the opportunity for any company working in this area is vast. We have always believed in the strength of REDT's technology but partnering with an organisation to bring it to market would likely be necessary. We were therefore extremely pleased to enter into a manufacturing agreement with Jabil Circuit, Inc. ("Jabil"), one of the world's leading manufacturing solutions companies. This agreement has enabled us to accelerate product development at a pace much faster than originally anticipated and we are poised to deliver our first products later this year, an event which is eagerly anticipated and will be a defining moment for this business.

Our task in 2015 is clear and the outlook very promising. We must focus on bringing REDT to market and establishing the areas where deployment of product makes the most economic sense. In our Africa Clean Energy business we aim to further strengthen our presence and reputation in the region by delivering on GAP and other mandates, and becoming sufficient in its own right. This needs to be achieved whilst working closely with REDT to act as a channel to market in what is key region for energy storage as it has done already with the contract to develop and install a hybrid energy storage solution in South Africa. In the US, we will continue to explore strategic alternatives for this business to bring value to the group from the first class team we have in the region.

Operational review

To reflect the change in focus of the business since the completion of the restructuring at the end of 2013, the Group now reports its results in new segments being US, Africa Clean Energy, REDH (CCE) and Group (Other). The segments are described in more detail in the relevant sections below.

US business

The US Activities include our two operating biogas facilities, being the 4.5MW Jerome Facility and the 2.1MW Twin Falls Facility and our US Carbon business.

Camco has owned and operated the Jerome Facility since commissioning in July 2012. The facility is situated on a dairy farm in Idaho comprising in excess of 17,000 dairy cows and is integral to the logistical operation of the dairy, significantly reducing the cost otherwise incurred in dealing with the vast amounts of cow manure generated and crucially reducing emissions for the dairy owner. Key for this facility is to match or exceed its monthly minimum forecast power production targets so as to ensure it receives its full power price available to it under the power purchase agreement which it did so for the whole of the year. The facility also generates a significant number of US carbon credits eligible for the Californian market, which generates good cash flow when they are issued as Californian Carbon Offsets.

The majority of the construction capital for the Jerome Facility was sourced from project debt secured on the facility and a mezzanine facility which was repaid in 2012 upon receipt of the US grant of c$6.0m. As a result, the accounting treatment for the net value of the Jerome Facility represented within the Group's net asset position is nominal as the gross depreciated value of the assets is approximately offset by the value of the debt and the deferred income balance (relating to the 2012 US grant receipt). As anticipated, interest on and repayment of the debt does account for significant portion of the cash flow generated by the asset and therefore we were pleased in January 2014 to be able to refinance this debt on better terms thereby decreasing this cash outflow over the next two years.

Camco acquired the Twin Falls Facility in December 2013 which is situated close to the Jerome Facility on a dairy farm in Idaho comprising in excess of 10,000 dairy cows and, like the Jerome Facility, is crucial to the operation of the dairy overall. The integration of the facility into our operations was successfully concluded and during 2014 the facility performed well meeting its monthly minimum forecast power production targets. The facility was originally acquired debt free but during the year a new finance facility of €0.6m secured against assets of the facility was obtained.

As anticipated 2014 saw continuing issuances of California Carbon Offsets ("CCOs") from our portfolio of Agricultural Methane projects that are managed on behalf of our dairy partners where we receive a revenue share under California's cap-and-trade program (the "California Program"). Our policy to sell CCOs when they are issued and where possible lock-in in advance prices to mitigate potential CCO price risk continued to be successful meaning this activity generated good income and positive cash flow.

Post the year end we concluded a structured transaction with a major multinational corporation to assign rights to the future stream of certain CCOs generated between 2015 and 2020 from the majority of Agricultural Methane projects that we manage.

As part of the structure, Camco received an initial cash payment of $1.74m. Additionally Camco may receive a deferred and conditional payment of up to $0.5m by 31 December 2015.

The structured transaction provides price security to Camco's dairy partners for the credits generated by their projects and thereby significantly de-risks the cash and returns to be generated. This includes the Jerome and Twin Falls facilities owned by Camco.

The transaction supports Camco's ongoing origination of new emissions reduction projects through demonstrating the value to project owners of Camco's track record of managing and delivering California eligible offsets and its ability to aggregate deliveries from multiple projects to secure long-term offtakes from credit-worthy buyers.

Camco retains the rights to the CCOs from projects not included in the above sale and its rights to credits generated after 2020 from all the projects included in the portfolio transaction.

Chief executive officer's report (continued)

Africa Clean Energy business

The Group's heritage can be traced back to East Africa in 1989 where it initially focused on environmental and energy projects. Today, it has a well-developed presence across Africa serviced from 5 regional offices across East and West Africa and South Africa.

This track record and expertise, together with the Group's wider experience in clean energy, led to the Group being awarded the joint mandate for the provision of investment advice and related services to Green Africa Power LLP ("GAP"). The award of this contract is a very major step forward for our business in Africa and we anticipate acting as a platform and catalyst to expand further in the region over the coming years with strategic aim of becoming a major player in the deployment of capital in clean energy assets in Africa.

GAP, an initiative of the Private Infrastructure Development Group Trust ("PIDG"), offers mezzanine debt and contingent lines of credit, to privately-owned renewable power generation projects in the most under-developed countries in Africa. GAP will invest alongside commercial lenders and other investors in order to stimulate private investment in renewable energy. Initially £95m of funding has been committed to GAP by the UK Departments for International Development ("DFID") and Energy and Climate Change ("DECC") and in early 2015 this was augmented by additional funding of £26m from The Norwegian Government. Camco earns a base fee over the duration of the contract with additional fees payable on an incentive basis.

There is also a growing pipeline of similar complementary activities giving confidence that alongside GAP, the business can be transitioned towards higher margin activity validating the Groups extensive experience in the African renewables sector.

During the latter part of 2013, the team submitted, alongside its development partner MW1, a 5MW solar project into the first round of the Small IPP Procurement Program in South Africa and we were pleased to be notified in March 2014 that it had been shortlisted for the next round. The project was submitted to the final round in 2014 and we await to hear the results of that submission.

Throughout the year the wider advisory business continued to be involved in consulting on environmental, energy and climate change projects albeit with lower levels of activity than previous years as we focus on higher margin activity. During 2015 and beyond we expect this trend to continue and in particular as we focus more on the above Africa finance activities and on assisting with developing channels to market for REDT in what is one of the key markets for energy storage. Already this has been seen through the contract to develop and install a hybrid energy storage solution in South Africa announced in 2015 and discussed in more detail below.

REDT Clean Energy Storage

REDT (Camco's Energy Storage Business) is our joint venture in which we have a 49% economic interest.

After over 15 years of research and development, REDT has developed a new and proprietary energy storage technology which enables the efficient and sustainable storage of electrical energy in liquid form. The multi-valent properties of the Vanadium Redox electrolyte are used to provide a storage medium of virtually unlimited life with a system able to last more than 10,000 deep charge/discharge cycles. Combined with its very low maintenance requirements, REDT systems are able to deliver some of the lowest Total Cost of Ownership ("TCO") results in the industry. Long discharge durations are achieved by the simple addition of extra electrolyte capacity at a relatively low marginal cost.

The key benefits of the REDT energy storage are:

- **Low Levelised Cost of Storage –** LCOS calculates cost of energy stored over a battery's life and accounts for all operating and maintenance costs, together with efficiency.

- **100% Depth of Discharge –** Charge and discharge the REDT energy storage fully from 0-100% without significant degradation to the system, unlike other conventional batteries which suffer drastic capacity losses if discharged below 50%, leading to need for frequent replacement.

- **Long Lasting –** Vanadium Redox Flow Battery can last for 10,000 cycles with no significant degradation, equivalent to 25 years of storage, matching the life of solar panels and wind turbines.

- **Low Maintenance –** The batteries can be remotely monitored and require minimal maintenance, reducing the need for frequent site visits.

- **Safe –** Unlike lead acid and lithium batteries, the REDT Energy Storage System does not go into thermal runaway in warm climates. REDT Energy storage is non-explosive and non-flammable.

- **Environmentally Friendly –** REDT energy storage systems contain no heavy metals and are emission free.

During the year REDT signed a manufacturing agreement (the "Jabil Agreement") with Jabil Circuit, Inc. ("Jabil"), one of the world's leading manufacturing solutions companies which provides a scale manufacturing capability enabling REDT to accelerate its market deployment plans. Jabil contracted detailed technical due diligence, patent rights protection and market demand research on REDT's product prior to entering into the Agreement.

Since signing the Jabil Agreement, REDT has developed containerised, modular energy storage solutions. The standardised modular design has allowed the size and cost of the energy storage systems to be significantly reduced whilst increasing the functionality and usability of the batteries. Modular systems are easier to install, transport, decommission and maintain.

Detailed design has been completed for the small and large product range (including 5kW-40kWhe, 10kW-40kWhe, 15kW-240kWhe, 30kW-240kWhe, 45kW-240kWhe and 60kW-240kWhe) and the team have successfully addressed many anticipated engineering production issues expected when moving from prototype design to a commoditised manufactured product in parallel with Jabil's quality control reviews.

Production has commenced at the Jabil manufacturing facility in Scotland and manufacturing of internal stacks (the core technology of the battery) has been completed and these have been tested successfully at the Jabil facility.

Production is now focused on completing the build, certification and electrical testing for delivery during 2015 of ten 5kW-40kWhe units to selected customers across a range of customer applications and delivery of seven 15kW-240kWhe units to the Isle of Gigha

Shortly after the year end, REDT was awarded €400,000 by the Energy and Environmental Partnership for Southern and East Africa ("EEP") to develop and install a hybrid energy storage solution in South Africa. This project proposes to install an innovative hybrid energy system consisting of a solar PV and REDT storage system at Thaba Eco Hotel (formerly known as Thaba Ya Batswana) which currently has a weak grid connection and a back-up diesel generator.

Chief executive officer's report (continued)

The 240 kWh REDT system will be used alongside a 100kW photovoltaic installation and an existing diesel generator. It is anticipated that the hybrid system will enable the Eco lodge to save up to 175 MWh of electricity every year, thereby displacing an equivalent amount of power that would otherwise be generated by the diesel generator or consumed from the main grid. With the addition of energy storage renewable penetration can reach up to 100% and the use of gensets and grid purchases can be significantly reduced, saving money and avoiding noise disturbance and CO2 emissions. This system forms part of the initial unit orders announced on 30 January 2015.

The successful demonstration of the hybrid system has the potential to assist in unlocking affordable, clean and reliable access to energy across the African continent supporting sustainable social and economic growth. Sub-Saharan Africa is home to roughly 580 million people without access to electricity. In order to meet future demand, an estimated 374 GW of power generation capacity is needed by 2030 - 12 times current levels.

Given the region's significant renewable resource base, renewables coupled with storage are expected to play a major role in meeting future energy access goals and stabilising weak grid systems. Through time shifting energy surplus, the addition of an REDT system allows the integration of higher levels of renewables; supporting greater distributed generation; increasing energy access and reducing CO2 emissions.

REDT's ability to win this award relied heavily on the expertise and presence of the Groups operations in South Africa and we expect to continue to leverage and benefit from our Africa operations as we look to grow REDT's activities in the region.

EU ETS compliance services and CDM carbon business

The EU ETS compliance services team works with installations covered by the ETS to help them manage their regulatory position. This consists of providing market updates and supplying the requisite number of allowances and offsets for them to meet their emissions obligations, or selling their surplus. Where possible offsets are sourced from the Groups portfolio, from which these installations have historically been buyers. The team also manages the legacy CDM carbon business associated with this portfolio which generated some useful revenue and cash flow in 2014 but expected to continue to a lesser extent in 2015.

Scott McGregor
Chief Executive Officer
1 June 2015

Chief financial officer's report

Overall Group result

During 2014 the Camco Group continued to operate within its reduced and tightly controlled operating expenditure base. This has given the Group a solid and cost effective platform to focus on its three main business segments; US, Africa, and REDH. This clear strategic focus resulted in the continued reduction in overall trading losses, however within the context of a fall in revenue and gross margin as a result of the reduced CDM carbon activity which we had anticipated following the hibernation of that business in 2013.

The Group continued the trend of reducing the level of losses since 2012, and reported a further reduced total comprehensive loss of (€1.9m) compared to a loss of (€3.8m) in 2013.

Gross profit reported in the year was €5.0m compared to a gross profit of €7.0m in 2013. Gross profit for US was €2.8m (2013: €1.7m), Africa €1.2m (2013: €1.3m), REDH (CCE) €0.2m (2013: €0.06m) and Group (Other) €0.8m (2013: €3.8m).

Revenue fell to €9.9m compared to revenue in 2013 of €12.3m. Revenue for US was €5.3m (2013: €3.3m), Africa €1.8m (2013: €2.9m), REDH (CCE) €0.2m (2013: €0.06m) and Group (Other) €2.6m (2013: €6.1m).

Cost of sales reduced to €4.9m compared to €5.3m in 2013. Cost of sales for US was €2.5m (2013: €1.5m), Africa €0.7m (2013: €1.6m) and Group (Other) €1.7m (2013: €2.2m).

US business

The US business is made up of two areas – US Carbon and Operating Assets (being the Jerome and Twin Falls facilities). The overall US business recorded revenue of €5.3m (2013: €3.3m), gross margin €2.8m (2013: €1.7m) and segmental profit €0.3m (2013: (€0.7m) loss).

US Carbon recorded revenues of €1.9m (2013: €0.8m) generating gross profit of €0.6m (2013: €0.2m), as a result of the sale of credits delivered from the agricultural methane projects for which CCOs had been issued under the California Program.

Operating Assets generated revenues of €3.3m (2013: €2.3m), with the increase owing much to the full year utilisation of the Twin Falls facility (acquired December 2013). Gross margin steadily increased in line with revenue, closing at €1.9m (2013: €1.5m). As was the case in 2013, and expected to continue going forward, the facilities experienced seasonality in the revenues produced, with the second half of 2014 reporting stronger numbers off the back of higher prices set out in the power purchase agreement.

With the US business held locally in its functional currency of US Dollars, the consolidation into the Camco Group generated Balance Sheet wide FX movements of the Euro against the Dollar. The US business continues to hold the only debt finance facilities within the Group; existing loan secured in 2013 against the Jerome facility (€11.5m – 2019 maturity), and a new finance facility attained during the year and secured against Twin Falls (€0.6m – 2020 maturity). The loan facilities recorded a net increase in outstanding balance at the end of the year due to €1.4m FX movement, with a P&L interest charge of €0.8m for the year (2013: €0.9m). The P&L amortisation charge for the Deferred Income (Government Grant) balance held on the Balance Sheet was €0.3m in the year. The retranslated amount on the Balance Sheet actually increased to €4.6m from €4.3m at December 2013 due to FX movement. Plant & Equipment also reported an increase due to FX - increasing to €18.6m (2013: €17.7m) despite a depreciation charge of €1.0m (2013: €0.9m).

Chief financial officer’s report (continued)

Africa Clean Energy business

The Africa Clean Energy business includes the 5 offices in Africa, the principle ones being Dar es Salaam (Tanzania), Johannesburg (South Africa) and Nairobi (Kenya). The overall Africa business recorded revenue of €1.8m (2013: €2.9m), gross margin €1.2m (2013: €1.3m) and segmental loss (€0.2m) (2013: (€0.1m)).

Whilst the Africa business reported a year on year reduction in revenue, the gross margin level was effectively maintained at prior year levels by strategically shifting focus towards higher margin activity. The year also saw Camco awarded a mandate to act as joint investment advisers to Green Africa Power LLP (“GAP”) using our long established consulting business in the region as a platform. The GAP project will progress further in 2015 and help supplement the offering and revenue generated by the consulting business. The network of Camco offices throughout Africa is key to being able to fully service the GAP mandate and also to be positioned to win further similar mandates and build on this success.

REDH (CCE)

The REDH (CCE) activity reflects the portion of the Group’s overhead spent on managing the REDH business.

During the 2013 financial year the Group did not directly allocate internal cost to this activity and the prior year comparative numbers reflect limited external costs incurred and typically recovered from REDH.

Revenue in the year reflects the recovery of certain costs passed to the REDH business; €0.2m (2013: €0.1m). Taking into consideration the allocated Administrative expenses incurred on behalf of REDH, the segmental result reported a loss of (€0.5m) (2013: (€0.02m)).

This segment also includes the Group’s JV interest in REDH (53.8% holding; 49.8% on a fully diluted basis) from which 2014 yielded a share of loss of €0.13m (2013: €0.06m loss).

Group (Other)

Group (Other) comprises the CDM Carbon and EU ETS Compliance Services businesses.

The CDM Carbon business recorded; revenue €0.8m (2013: €1.0m)/gross profit €0.7m (2013: €0.9m), the majority of which was represented by cash receipts that were not anticipated. The margin contribution to the business was much better than expected, but as previously communicated with regards to the nature of the wider CER/VER market, we are not expecting meaningful revenues in this business to continue.

The following table sets out the value of the net CER/VER carbon balances included within the Group assets as at 2014 and for prior years 2010-2013:

	2014	**2013**	**2012**	**2011**	**2010**
	€’000	**€’000**	**€’000**	**€’000**	**€’000**
Accrued Income	133	265	516	15,939	40,907
Intangible Assets – CER carbon in specie	–	–	–	644	2,030
Work in Progress – Carbon Development Contracts	–	–	–	3,199	6,053
Other CDC accruals	(599)	(1,245)	(3,175)	(7,668)	(9,207)
Payment on account received	–	–	(2,550)	(6,426)	(10,200)
Total net asset/(liability)	**(466)**	**(980)**	**(5,209)**	**5,688**	**29,583**

At the end of 2014, the CDM Carbon business had an effective net liability of €0.5m, reduced from €1.0m in 2013 and €5.2m in 2012. As indicated in 2013, the Directors will continue to work diligently in reducing the remaining net liability.

EU ETS Compliance Services business provided a positive net margin to the group in the year; revenue €1.8m (2013: €3.3m)/gross profit €0.3m (2013: €0.5m). As we have set out at length previously, the nature of the wider carbon market means that we are not expecting meaningful revenues in this business to be repeated beyond the short term.

Group operating expenses

Overall administration expenses fell for the second year running, with the full impact of the changes implemented in 2013 and continued into 2014 now being realised. Administration expenses fell during the year by €2.2m, from €9.3m to €7.1m, a fall of 24% (2013: 25% reduction) following a sustained and concentrated effort to reduce operational costs, providing Camco Group with a lean operating cost base to focus on its core business segments.

Noticeable reductions came from; personnel and contractors 26% - €3.9m (2013: €5.3m), office costs 30% - €0.7m (2013: €1.0m), professional costs (including non-executive director fees) 27% - €0.8m (2013: €1.1m), and travel and marketing 50% - €0.2m (2013: €0.4m), share based payment charge 75% - €0.1m (2013: €0.4m).

The effort to reduce operational costs have been focused on rationalising combined Group (Other) & REDH costs; €2.9m (2013: €5.4m), which encompassed concluding operations in China – €0.02m (2013: €1.1m) yielding a material saving within Group costs. Both US and Africa operating expenses remained stable throughout the year; US €2.8m (2013: €2.7m), Africa €1.3m (2013: €1.3m), notwithstanding the US business absorbing a full year of Twin Falls expenditure (€0.2m) – thus an effective overall like for like reduction.

The Group is now centred on maintaining tight expenditure control whilst achieving greater customer focus from the re-aligned cost base in supporting the strategic business segments.

Cash and cash equivalents

At 31 December 2014, the Group held cash and cash equivalents of €4.1m (2013: €4.5m), inclusive of cash held in debt reserve in relation to the Jerome Facility of (€0.8m) (2013: (€1.0m)) which is not available to the Group for general working capital purposes.

Camco Group has two secured loan facilities; existing loan secured in 2013 against Jerome (€11.5m – 2019 maturity), and a new finance facility attained during the year and secured against Twin Falls (€0.6m – 2020 maturity). There are no un-secured loans held (2013: Nil).

The key movements in cash during 2014 were: capital repayment of borrowings (€0.3m); interest paid (€0.8m); proceeds from new secured loan facility €0.6m; proceeds from the issue of share capital €1.7m and cash absorbed from operations (€1.8m).

Jonathan Marren
Chief Financial Officer
1 June 2015

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2014 (the "year").

Tax and company status

Camco Clean Energy plc (the "Company") is a public company admitted to AIM, a market operated by London Stock Exchange plc ("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"). 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 emission reduction and clean energy projects.

Business Review and Financial Instruments

The Business review of the Group can be found in the Annual Report of the Company for the year to 31 December 2014, prepared in accordance with the Companies (Jersey) Law 1991 and the AIM Rules of the London Stock Exchange; in the Chairman's report on page 3; the Chief Executive Officer's report on pages 4 to 8; and the Chief Financial Officer's report on pages 9 to 11 which are incorporated in this report by reference. The Annual Report also provides a description of the principal risks and uncertainties facing the Group as well as the risk management objectives and policies that are in place to assist in mitigating the potential impact. Details of the Groups financial risks can be found in Note 19 on page 53 to these financial statements.

Results and Dividends

The audited financial statements for the Group for the year ended 31 December 2014 are set out on pages 25 to 59. The Group total comprehensive loss for the year was €1.9m (2013: €3.8m loss). The Board does not recommend the payment of a dividend for the year.

The Directors

Details of the Directors who served during the year are as follows:

- Scott McGregor Chief Executive Officer
- Jonathan Marren Chief Financial Officer
- Jeffrey Kenna Non-executive Chairman
- Michael Farrow Non-executive
- Zainul Rahim bin Mohd Zain Non-executive

Directors' Liability Insurance and Indemnities

The Company maintains liability insurance for the Directors and officers of all Group companies. The policy does not provide cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly. Indemnities are in force under which the Company has agreed to indemnify the Directors to the extent permitted by applicable law and the Company's articles of association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Directors' interests

Details of Directors' interests in the Company's shares are shown in Note 27.

Share Capital

The issued share capital of the Company at 1 January 2014 was €2,081,271.66 comprised of 208,127,166 ordinary shares of €0.01. There were no shares held in treasury.

On 23 July 2014, the Company issued 38,007,947 new ordinary shares pursuant to a placing and open offer.

The issued share capital of the Company at 31 December 2014 was €2,461,351.13 comprised of 246,135,113 ordinary shares of €0.01. There were no shares held in treasury.

Substantial shareholdings

As at 30 April 2015, the following shareholders own more than 3% of the issued share capital of the Company:

	% of issued share capital	Number of shares
Payar Investments Ltd (subsidiary of Khazanah Nasional Berhad)	24.6	62,229,986
Clearworld Energy Limited	6.4	16,261,837
Scott McGregor	4.7	11,973,126
Old Mutual Global Investors	4.4	11,145,000
TD Waterhouse	4.1	10,353,284
Mr A Millar	3.5	8,813,100
Greenergy International Limited	3.3	8,449,359
Barclays Stockbrokers	3.3	8,315,106

Political and charitable contributions

The Group has made no political or charitable contributions during the year (2013: €Nil).

Corporate governance

The Directors are committed to a high standard of corporate governance for which they are accountable to stakeholders and particularly shareholders. The Company continues to monitor developments in the area of corporate governance.

The Board

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

The roles of the Chairman and the Chief Executive Officer

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

The Chairman

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

The Chief Executive Officer

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

The Board's Committees

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

The Audit Committee

The Audit Committee comprises Michael Farrow (Chairman), Zainul Rahim bin Mohd Zain and Jeffrey Kenna who are all non-executive Directors.

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

- Review of the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
- Receiving and considering reports on internal financial controls, including reports from the auditors and report their findings to the Board;
- Considering the appointment of the auditors and their remuneration including reviewing and monitoring of independence and objectivity;
- Meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise;
- Developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- Review of the Group's corporate review procedures and any statement on internal control prior to endorsement by the Board;

The Remuneration Committee

The Remuneration Committee comprises Zainul Rahim bin Mohd Zain (Chairman), Jeffrey Kenna and Michael Farrow, 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 Jeffrey Kenna (Chairman), Michael Farrow and Zainul Rahim bin Mohd Zain who are all non-executive Directors.

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

The Company Secretary

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

Relations with shareholders

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

Internal control

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

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

The Group utilises the following broad processes in order to further mitigate any risks it faces.

- 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; and
- Segregation of duties between relevant functions and departments;

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 Chief Financial Officers report on pages 9 to 11. The financial position of the Group, its cash flows and liquidity position are described in the same report. In addition, Notes 19 to 20 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group has sufficient 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.

The Directors are satisfied that the Group has 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.

Post balance sheet events

Particulars of important events affecting the Group since the financial year end are set out in note 28.

Disclosure of information to auditor

Each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the Group's auditor is 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 auditor is aware of such information.

Auditor

A resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Michael Farrow
Consortia Partnership Limited
Company Secretary

Registered Office:
3rd Floor
Standard Bank House
47-49 La Motte Street
St Helier
Jersey
JE2 4SZ

1 June 2015

Report of the remuneration committee

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 Zainul Rahim bin Mohd Zain (Chairman) Michael Farrow and Jeff Kenna. 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 Director's services.

During 2013 and 2014 each of executive directors waived their contractual entitlement to pension contributions (5%) for the entire year.

Directors' remuneration during the year

	2014 Salaries and fees €'000	2014 Benefits in kind €'000	2014 Short-term performance related remuneration €'000	2014 Long-term performance related remuneration €'000	2014 Pension benefits €'000	2014 Total €'000
Executive Directors						
Scott McGregor	**257**	**2**	**167***	**69****	**–**	**495**
Jonathan Marren	**193**	**2**	**125***	**41****	**–**	**361**
Non-executive Directors						
Jeffrey Kenna	**83**	**–**	**–**	**–**	**–**	**83**
Michael Farrow	**49**	**–**	**–**	**–**	**–**	**49**
Zainul Rahim bin Mohd Zain	**42**	**–**	**–**	**–**	**–**	**42**
Total	**624**	**4**	**292**	**110**	**–**	**1,030**

* as at the date of signing these financial statements, this amount had not yet been paid.

** Long-term performance related remuneration relates to options issued in 2013 under the Camco 2006 Executive Share Plan.

	2013 Salaries and fees €'000	2013 Benefits in kind €'000	2013 Short-term performance related remuneration €'000	2013 Long-term performance related remuneration €'000	2013 Pension benefits €'000	2013 Total €'000
Executive Directors						
Scott McGregor	243	1	143*	224**	–	611
Jonathan Marren	177	2	108	135**	–	422
Non-executive Directors						
Jeffrey Kenna	71	–	–	–	–	71
Michael Farrow	35	–	–	–	–	35
Zainul Rahim bin Mohd Zain	41	–	–	–	–	41
Total	567	3	251	359	–	1,180

* as at the date of signing these financial statements, this amount had not yet been paid.

** Long-term performance related remuneration relates to options issued in 2013 under the Camco 2006 Executive Share Plan.

Defined contribution retirement benefit plan

The Group operates a defined contribution retirement benefit plan for qualifying Directors and 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. As set out above, during 2013 and 2014 each of executive directors waived their contractual entitlement to pension contributions for the entire year.

Long-Term Incentive Plan (the "LTIP")

The Board has historically approved the LTIP under which Directors and employees were entitled to equity-settled payment following vesting years from 31 December 2008 up to 31 December 2012 and upon certain market and non-market performance conditions being met for those years.

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

The Board now considers the LTIP closed and accordingly no further awards were made during the year. As at the beginning and end of the year, there were 750,000 awards vested and exercisable at €0.01 per share held by Scott McGregor.

The share-based payment charge booked in these financial statements for Scott McGregor is €Nil (2013: Nil).

The Company's share price at the end of the year was 6.13 pence/€0.0788 (2013: 5.125 pence/€0.06). The highest share price in the year was 8.00 pence/€0.1001 (2013: 8.375 pence/€0.101) and the lowest 3.50 pence/€0.0426 (2013: 1.025 pence /€0.026).

Camco 2006 Executive Share Plan (the "Plan")

On 27 July 2012, the Company resolved at general meeting to amend the terms of the Plan such that awards could be made under the Plan for a period of 10 years from 27 July 2012 over up to 10 per cent. of the ordinary shares in issue as 27 July 2012 and any shares subsequently issued from time to time.

Under the Plan the Company can now make awards of share options or conditional rights to receive shares ("awards") to selected Directors and employees.

The purpose of the Plan is to incentivise Directors and employees to ensure market (share price) and non-market (operational) performance targets are met over the vesting period.

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

	At 31 December 2013 Share awards outstanding Number	Granted Number	Forfeited Number	Vested Number	At 31 December 2014 Share awards outstanding Number	Price payable (per share) €
Scott McGregor	**10,406,358**	**–**	**–**	**–**	**10,406,358**	**0.01**
Jonathan Marren	**6,243,814**	**–**	**–**	**–**	**6,243,814**	**0.01**
Total	**16,650,172**	**–**	**–**	**–**	**16,650,172**	

The Company's share price at the end of the year was 6.13 pence/€0.0788 (2013: 5.125 pence/ €0.06). The highest share price in the year was 8.00 pence/€0.1001 (2013: 8.375 pence/€0.101) and the lowest 3.50 pence/€0.0426 (2013: 1.025 pence /€0.026).

The share-based payment charge booked in these financial statements for Scott McGregor is €69,049 (2013: €224,000) and Jonathan Marren is €41,430 (2013: €135,000).

Market-based performance condition The options currently issued under the Plan will vest at different levels depending on the Company's share price performance, subject to the non-market performance conditions being met. These options will vest in 3 equal tranches upon the Company's 45 day volume weighted average share price reaching or exceeding the levels of 3p, 5p and 7p during the life of the options.

Non market performance conditions The Plan will only vest if all the non-market performance conditions are met. These non-market performance conditions are based on specific and measurable operational targets set by the Board. The employee or Director must remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

Directors' service contracts

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

The Group's policy is that executive Directors' notice periods should not exceed one year. Scott McGregor and Jonathan Marren have employment contracts with the Group dated 16 March 2006 and 9 July 2012 respectively and are terminable with 3 months' notice 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.

The tables above comprise part of the audited financial statements.

By Order of the Board

Zainul Rahim bin Mohd Zain
Remuneration Committee Chairman
1 June 2015

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the Directors to prepare group financial statements for each financial year. As required by the AIM Rules for Companies of London Stock Exchange Plc, they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under Jersey Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with 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 will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and 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 the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements were to apply to the Group.

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

Independent auditor's report
to the members of Camco Clean Energy Limited

We have audited the group financial statements of Camco Clean Energy Limited (the "company") for the year ended 31 December 2014 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Article 113A 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 explained more fully in the Statement of Directors' Responsibilities set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU;
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Chartered Accountants and Recognised Auditor

15 Canada Square
London
EC14 5GL

1 June 2015

Notes:

- The maintenance and integrity of the www.camcocleanenergy.com website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 1 June 2015. KPMG LLP has carried out no procedures of any nature subsequent to 1 June 2015 which in any way extends this date.

- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

Consolidated statement of financial position

At 31 December 2014

	Notes	2014 €'000	2013 €'000
Non-current assets			
Property, plant and equipment	12	**16,613**	15,581
Investments in associates and joint ventures	13	**2,533**	2,576
Other investments	14	**–**	–
Deferred tax assets	10	**109**	32
		19,255	18,189
Current assets			
Prepayments and accrued income	15	**1,896**	1,452
Trade and other receivables	16	**1,591**	1,368
Cash and cash equivalents	17	**4,057**	4,472
		7,544	7,292
Total assets		**26,799**	25,481
Current liabilities			
Loans and borrowings	22	**(384)**	(492)
Trade and other payables	18	**(3,711)**	(4,162)
Deferred income	21	**(357)**	(434)
Tax payable		**(186)**	(239)
		(4,638)	(5,327)
Non-current liabilities			
Loans and borrowings	22	**(11,747)**	(9,884)
Deferred income	21	**(4,251)**	(4,024)
		(15,998)	(13,908)
Total liabilities		**(20,636)**	(19,235)
Net assets		**6,163**	6,246
Equity attributable to equity holders of the parent			
Share capital	23	**2,461**	2,081
Share premium		**76,917**	75,640
Share-based payment reserve		**756**	646
Retained earnings		**(74,513)**	(72,330)
Translation reserve		**542**	209
Total equity		**6,163**	6,246

These financial statements were approved and authorised for issue by the board of directors on 1 June 2015 and were signed on its behalf by:

Michael Farrow
Director
Company Registration Number 92432

Consolidated statement of comprehensive income

For the year ended 31 December 2014

	Notes	2014 €'000	2013 €'000
Continuing operations			
Revenue	3	**9,948**	12,305
Cost of sales		**(4,908)**	(5,336)
Gross profit		**5,040**	6,969
Other income	4	**84**	1,377
Other income – government grant income	21	**289**	276
Administrative expenses		**(7,099)**	(9,347)
Impairment of Investment in associates and joint ventures	5	**–**	(3)
Impairment of development costs	5	**–**	(90)
Impairment of receivables	5	**–**	(109)
Restructuring charges	5	**–**	(783)
Loss from operating activities		**(1,686)**	(1,710)
Financial income	9	**26**	11
Financial expenses	9	**(771)**	(850)
Foreign exchange movement	9	**250**	(439)
Net financing expense		**(495)**	(1,278)
Share of loss of equity-accounted investees	13	**(126)**	(603)
Loss before tax		**(2,307)**	(3,591)
Income tax credit/(expense)	10	**124**	(84)
Loss from continuing operations		**(2,183)**	(3,675)
Discontinued operation			
Loss from discontinued operation (net of tax)		**–**	(72)
Loss for the year		**(2,183)**	(3,747)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**333**	(95)
Total comprehensive income for the year		**(1,850)**	(3,842)
Loss for the year attributable to:			
Equity holders of the parent		**(2,183)**	(3,747)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(1,850)**	(3,842)
Basic loss per share in € cents			
From continuing operations	11	**(0.97)**	(1.89)
From continuing and discontinued operations	11	**(0.97)**	(1.93)
Diluted loss per share in € cents			
From continuing operations	11	**(0.97)**	(1.89)
From continuing and discontinued operations	11	**(0.97)**	(1.93)

Consolidated statement of changes in equity

For year ended 31 December 2014

	Notes	2014 Share capital €'000	2014 Share premium €'000	2014 Share-based payment reserve €'000	2014 Retained earnings €'000	2014 Translation reserve €'000	2014 Own shares €'000	2014 Total equity attributable to shareholders of the Company €'000	2014 Total equity €'000
Balance as at 1 January 2014		**2,081**	**75,640**	**646**	**(72,330)**	**209**	**–**	**6,246**	**6,246**
Total comprehensive income for the year									
Loss for the year		**–**	**–**	**–**	**(2,183)**	**–**	**–**	**(2,183)**	**(2,183)**
Other comprehensive income									
Foreign currency transaction differences		**–**	**–**	**–**	**–**	**333**	**–**	**333**	**333**
Total comprehensive income for the year		**–**	**–**	**–**	**(2,183)**	**333**	**–**	**(1,850)**	**(1,850)**
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Share-based payments	**7**	**–**	**–**	**110**	**–**	**–**	**–**	**110**	**110**
Issuance of shares	**23**	**380**	**1,277**	**–**	**–**	**–**	**–**	**1,657**	**1,657**
Total contributions by and distributions to owners		**380**	**1,277**	**110**	**–**	**–**	**–**	**1,767**	**1,767**
Balance at 31 December 2014		**2,461**	**76,917**	**756**	**(74,513)**	**542**	**–**	**6,163**	**6,163**

Consolidated statement of changes in equity

For year ended 31 December 2013

	Note	2013 Share capital €'000	2013 Share premium €'000	2013 Share-based payment reserve €'000	2013 Retained earnings €'000	2013 Translation reserve €'000	2013 Own shares €'000	2013 Total equity attributable to shareholders of the Company €'000	Total equity €'000
Balance as at 1 January 2013		1,897	75,565	301	(68,583)	304	(14)	9,470	9,470
Total comprehensive income for the year									
Loss for the year		–	–	–	(3,747)	–	–	(3,747)	(3,747)
Other comprehensive income									
Foreign currency transaction differences		–	–	–	–	(95)	–	(95)	(95)
Total comprehensive income for the year		–	–	–	(3,747)	(95)	–	(3,842)	(3,842)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Share-based payments	7	–	–	359	–	–	–	359	359
Issuance of shares		184	75	–	–	–	–	259	259
Own shares		–	–	(14)	–	–	14	–	–
Total contributions by and distributions to owners		184	75	345	–	–	14	618	618
Balance at 31 December 2013		2,081	75,640	646	(72,330)	209	–	6,246	6,246

Consolidated statement of cash flow

For year ended 31 December 2014

	Notes	**2014 €'000**	2013 €'000
Cash flows from operating activities			
Cash absorbed by operations	a	**(1,780)**	(4,487)
Income tax paid		**–**	–
Net cash outflow from operating activities		**(1,780)**	(4,487)
Cash flows from investing activities			
Disposal of discontinued operations, net of cash disposed of		**–**	(72)
Proceed from sales of investments		**–**	4,357
Acquisition of property, plant and equipment	12	**(31)**	(1,973)
Disposal of property, plant and equipment		**84**	1,241
Loan to joint venture		**–**	(200)
Net cash inflow from investing activities		**53**	3,353
Cash flows from financing activities			
Proceeds from the issue of share capital		**1,657**	259
Proceeds from new loan		**625**	–
Repayment of borrowings		**(260)**	(4,711)
Interest received		**26**	11
Interest paid		**(771)**	(850)
Net cash inflow/(outflow) from financing activities		**1,277**	(5,291)
Net (decrease) in net cash and cash equivalents		**(450)**	(6,425)
Net cash and cash equivalents at 1 January		**4,472**	11,087
Effect of foreign exchange rate fluctuations on cash held		**35**	(190)
Net cash and cash equivalents at 31 December	17	**4,057**	4,472

Consolidated statement of cash flow (continued)

For year ended 31 December 2014

	2014 €'000	2013 €'000
(a) Cash flows from operating activities		
Loss for the period	**(2,183)**	(3,747)
Adjustments for:		
Depreciation	**1,063**	1,097
Gain on sale of fixed assets	**(84)**	(68)
Amortisation of deferred income	**(313)**	(276)
Impairment of investments in associates and joint ventures	**–**	3
Impairment of receivables – bad debt write-off	**60**	109
Share of loss of equity accounted investees	**126**	603
Loss on sale of discontinued operation, net of tax	**–**	72
Gain on sale of investment	**–**	(547)
Gain on sale of subsidiary	**–**	(762)
Share-based payment transactions	**110**	359
Income tax	**(124)**	56
Finance cost	**745**	839
Foreign exchange loss on translation	**113**	229
Restructuring costs	**–**	783
Impairment loss on development costs	**–**	90
Operating cash outflow before movements in working capital	**(487)**	(1,160)
Changes in working capital		
Decrease in intangible assets	**–**	313
(Increase)/decrease in prepayments	**(302)**	103
(Increase) in trade and other receivables	**(284)**	(154)
Change in CDC accruals and CDC accrued income	**(514)**	(5,733)
(Increase) in accrued income-Non CDC	**(274)**	(447)
Increase in trade and other payables-Non CDC	**81**	2,591
Cash generated by operations	**(1,780)**	(4,487)

Notes
(forming part of the financial statements)

1. Accounting policies

Camco Clean Energy plc (the "Company") is a public company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of its registered office is 3rd floor, Standard Bank House, 47-49 La Motte Street, St Helier Jersey, JE2 4SZ. The consolidated financial statements of the Company for the year ended 31 December 2014 comprise of the Company, its subsidiaries and associates and jointly controlled entities (together the "Group"). The Company is admitted to the AIM, a market operated by London Stock Exchange Plc.

A. Statement of compliance

These consolidated 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 financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991 an amendment to which means separate parent company financial statements are not required.

These consolidated financial statements were approved by the Board on 1 June 2015.

B. Basis of preparation

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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 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 factors likely to affect its future development, performance and position are set out in the Chief Financial Officer's report. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 19 and 20 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 sufficient financial resources together with long-term relationships with a number of customers across different geographical areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Group has 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.

Basis of consolidation

Subsidiaries Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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 per cent. of the voting power of another entity and the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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.

Business Combinations

The Group adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) 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 Group adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009. The Group also applied IAS 27 (2008) for the disposal and acquisition of non-controlling interests that do not result in loss of control.

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 applied IAS 27 (2008) in accounting for transactions which result in the loss of control of subsidiaries. Under the 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.

C. *Accounting for Carbon Development Contracts ("CDCs")*

The Group enters into CDCs with clients from which carbon credits are received. Carbon credits under the Kyoto Protocol, also known as Certified Emission Reductions ("CERs") or Emission Reduction Units ("ERUs") are generated through the highly regulated Carbon Development Mechanism ("CDM") and Joint Implementation ("JI") processes respectively. These follow a number of steps including the approval of the project methodology and monitoring procedures, project design, project approval by the Designated National Authority ("DNA"), project validation by a Designated Operational Entity or equivalent ("DOE"), project acceptance by the host country, registration, verification and certification by a DOE. Verification of carbon credit production normally takes place at least once a year during the crediting 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 receipt of the consideration, be it cash or carbon credits, 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.

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. If a CDC will result in a probable net outflow of economic benefit from the Group then this amount will be recognised in accrued expenses. The fair value is the estimated net value of the carbon credits to be received, which is dependent upon the expected number to be delivered and the intrinsic value. If the expected number or value of the carbon credits subsequently changes an adjustment is

made to the accrued income balance with an associated credit or debit taken to revenue. The unwinding of any financing element of accrued income is recognised as finance income or expense.

The CDCs are scheduled to deliver of carbon credits under Clean Development Mechanism and other regional schemes until at least 2020. The Group and Company has taken advantage of the own use exemption in relation to carbon credits and as such does not account for the contract under IAS 39 and 32.

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

Once the revenue recognition criteria on these contracts are met the CDC costs incurred on them are expensed in full. Accrued income is derecognised when cash is received either as commission or in respect of sales of carbon credits or rights to carbon credits receivable under the CDC consultancy contracts.

D. Revenue recognition on US carbon credits

The Group derives revenue from (CCOs) California Carbon Offset Credits that are generated through its US Biogas Operations. The policy is to recognise value for the credits generated during the period once a project has been registered and issued its first offsets under a California Air Resources Board (ARB) approved offsets protocol. To be registered and issued offsets the project must go through a process of being verified by an approved body and only once this has been carried out successfully does the Group have reasonable certainty that credits generated during each year will be issued at the end of that year in relation to the project. The value placed on the credits is based on the contracted price Camco will receive, or if the credits are not sold, the prevailing market rate.

E. 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.

Project revenue consists of development fees, management service fees and revenue derived directly from projects where Camco holds an ownership interest.

F. Revenue Recognition on project related income

The Group derives revenue from its US clean energy projects from the sale of electricity, fibre and renewable energy certificates (“RECs”). Electricity is sold under a long-term Power Purchase Agreement (“PPA”) and the revenue recognised when electricity is delivered to the transmission point for distribution. Fiber revenue is recognised upon production and delivery of the fibre and RECs are recognised when the renewable energy is generated. The fiber and REC’s are sold under the terms of existing contracts.

G. *Revenue Recognition on EU ETS compliance services*

The Group derives revenue from its EU ETS compliance services activities from the sale of emissions allowances and offsets to its clients. The revenue recorded is based on the sale price per emission allowance or offset, with the associated cost based upon the purchase price per emission allowance or offset subsequently sold. Both the revenue and cost are booked simultaneously as per the transaction date.

H. *Goodwill*

Subsidiary

Acquisition since 1 January 2009 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 prior to 1 January 2009 For acquisitions prior to 1 January 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

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.

I. *Intangible assets*

Carbon in specie The Group has a number of carbon credit registry accounts used to receive carbon credits from its projects. These carbon credits are either transferred to buyers under existing sales contracts or, in the case of in specie consideration to the Group, sold for cash. Carbon credits held at the balance sheet date are recognised as an intangible asset and valued at the relevant market price or contract price.

J. *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.

Construction in Progress Items are held at historical cost and are depreciated from the date the asset is completed and ready for use.

Project plant and equipment Project plant and 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 the asset.

K. *Investments in subsidiaries*

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

L. *Impairment*

The carrying amounts of the Group's property, plant and equipment, goodwill 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 immediately 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.

M. *Non-current assets held for sale and discontinued operations*

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

N. *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.

FX rates (Euro) as applied in the year-end financial statements: GBP 0.7816 (2013: 0.8371), USD 1.2165 (2013: 1.3794), CNY 7.5439 (2013: 8.3497), KES 110.2329 (2013: 119.0405), TZS 2121.3407 (2013: 2195.39), ZAR 14.0701 (2013: 14.3852).

O. *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.

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.

P. 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 a business combinations, or items recognised directly in equity, or in comprehensive income.

Current tax is the expected tax payable or recoverable 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.

Q. Employee benefits

Long-Term Incentive Plan and 2006 Plan

The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors) under the Long-Term Incentive Plan and the 2006 plan. These are measured at fair value at the date of grant, which is then recognised in the income statement on a straight line basis over the vesting year, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model (Black-Scholes or Binomial). 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 where appropriate. 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 the full the share based payment charge to the relevant subsidiary.

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.

R. 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.

S. Operating segments

An operating 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 operating 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.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets corporate expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

T. 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.

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. Government Grant

In August 2012, a federal grant was received from the United States in connection with a project asset. The grant was recognised as deferred income at fair value as there was reasonable assurance that all conditions associated with the grant would be complied with. The revenue is then recognised in the profit and loss as project revenue on a systematic basis over the useful life of the asset.

The grant is reimbursable to the United States Department of Treasury if the asset is disposed of to a disqualified person or ceases to qualify as a specified energy project within five years from the date the property is placed in service.

W. Leased assets

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

X. *Finance income and expense*

Finance income comprises interest income on surplus funds, unwinding of the discount on provisions and accrued costs. 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.

Y. *Non-derivative financial liabilities*

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables and payments on account. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Z. *New accounting standards and interpretations*

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2014 that have a material impact on the Group.

In accordance with the transitional provisions of IFRS 10, the Group reassessed the control conclusion for its investees at 1 January 2014. No modifications of previous conclusions about control regarding the Group's investees were required.

In accordance with the transitional provisions of IFRS 11, the Group its accounting policy for its interests in joint arrangements. No modifications of previous conclusions about joint arrangements were required.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group. The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

- IFRS 9 Financial Instruments (effective 1 January 2018)
- Annual Improvements to IFRSs – 2010-2012 Cycle (effective 1 July 2014)
- Annual Improvements to IFRSs – 2011-2013 Cycle (effective 1 July 2014)

The Group is yet to assess the full impact of these new standards and amendments but does not expect them to have an material impact on the financial statements, with the main effect being the requirement for additional disclosures.

2. Segmental reporting

Operating segments

To reflect the change in focus of the business since the completion of the restructuring at the end of 2013, the Group reports these results in line with the following main reporting segments:

1. ***US:*** In America, the Group develops and designs and also builds, owns and operates (BOO) biogas projects generating energy from organic waste. CCE currently owns the Jerome and Twin Falls facilities which produce sustainable energy generated by using agricultural methane from dairy farms. The Group also develops Californian offset projects.

2. ***Africa Clean Energy:*** Africa manages investment of public and private finance into clean energy projects. CCE has five offices across Africa and an office in London which provides consulting services and the development of clean energy projects across Africa. Currently this segment operates an investment advisory mandate to manage a debt facility for Green Africa Power (GAP).

3. ***REDH (CCE):*** The REDH (CCE) segment comprises aspects of the Group's overheads allocated to the management and development of the REDT energy storage business, with revenue reflective of the recovery of an apportionment of the costs incurred and passed directly to the REDH business. The operating segment also includes the share of profit / loss on an equity accounted basis from REDT, as well as the value of the investment held within the Camco Group.

4. ***Group (Other):*** This segment contains all remaining Group costs in addition to the Group's remaining non US carbon business - comprising CDM Carbon and EU ETS Compliance Services.

Inter segment transactions are carried out at arm's length.

Group also views its business geographically: EMEA (including Europe, Middle East and Africa), ASIA (China and South East Asia), and North America (mainly USA)

Notes (continued)

Operating segments

	US		Africa		REDH (CCE)		Group (Other)		Consolidated	
		Restated		Restated		Restated		Restated		Restated
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	€'000	€'000	**€'000**	€'000	**€'000**	€'000	**€'000**	€'000	**€'000**	€'000
Segment revenue	**5,317**	3,263	**1,820**	2,929	**237**	61	**2,574**	6,052	**9,948**	12,305
Segment gross margin	**2,793**	1,748	**1,170**	1,348	**237**	61	**840**	3,812	**5,040**	6,969
Other income – gain on disposal	**84**	68	**–**	–	**–**	–	**–**	–	**84**	68
Other income – deferred income	**289**	276	**–**	–	**–**	–	**–**	–	**289**	276
Segment administrative expenses	**(2,827)**	(2,672)	**(1,330)**	(1,275)	**(703)**	(46)	**(2,129)**	(4,995)	**(6,989)**	(8,988)
Restructuring charges	**–**	–	**–**	–	**–**	–	**–**	(783)	**–**	(783)
Impairment of development costs	**–**	(90)	**–**	–	**–**	–	**–**	–	**–**	(90)
Impairment of investment	**–**	–	**–**	–	**–**	–	**–**	(3)	**–**	(3)
Segment result	**339**	(670)	**(160)**	73	**(466)**	15	**(1,289)**	(1,969)	**(1,576)**	(2,551)
Unallocated income – gain on disposal									**–**	1,309
Share-based payments									**(110)**	(359)
Impairment of receivables									**–**	(109)
Results from operating activities									**(1,686)**	(1,710)
Finance income									**26**	11
Finance expense									**(771)**	(850)
Foreign exchange movement									**250**	(439)
Share of loss of equity accounted investees					**(126)**	(56)			**(126)**	(603)
Taxation									**124**	(84)
(Loss) from discontinued operation (net of income tax)									**–**	(72)
Loss for the year					**(592)**	(41)			**(2,183)**	(3,747)
Segment assets	**18,643**	17,728	**2,467**	2,630	**–**	–	**3,156**	2,547	**24,266**	22,905
Other investments	**–**	–	**–**	–	**2,533**	2,576	**–**	–	**2,533**	2,576
Total assets	**18,643**	17,728	**2,467**	2,630	**2,533**	2,576	**3,156**	2,547	**26,799**	25,481
Segment liabilities	**(17,358)**	(15,045)	**(599)**	(839)	**–**	–	**(2,679)**	(3,351)	**(20,636)**	(19,235)
Total liabilities	**(17,358)**	(15,045)	**(599)**	(839)	**–**	–	**(2,679)**	(3,351)	**(20,636)**	(19,235)
Capital expenditure	**16**	–	**15**	–	**–**	–	**–**	14	**31**	14
Depreciation	**1,009**	864	**15**	29	**–**	–	**39**	204	**1,063**	1,097

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of its customers, segment assets are based on the geographical location of the asset.

Geographical information

Revenue by geographical region of projects:

	2014	2013
	€'000	€'000
EMEA	**3,857**	5,479
USA	**5,317**	3,354
ASIA	**774**	3,472
Total revenue	**9,948**	12,305

Revenue by domicile of Group entity that owns the projects:

	2014	2013
	€'000	€'000
EMEA	**3,857**	8,128
USA	**5,317**	3,267
ASIA	**774**	910
Total revenue	**9,948**	12,305

The Group derives carbon revenue from the provision of consultancy services to carbon clients under CDCs as well as EU ETS compliance services, where the Group works with clients covered by

the ETS to help them manage their regulatory position. 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.

Non-current assets by geographical region:

	2014 **€'000**	2013 €'000
EMEA	**2,681**	1,817
USA	**16,574**	15,507
ASIA	**–**	865
Non-current assets	**19,255**	18,189

3. Revenue

By reporting segments:

	2014 **€'000**	Restated 2013 €'000
US	**5,317**	3,263
Africa	**1,820**	2,929
REDH (CCE)	**237**	61
Group (Other)	**2,574**	6,052
Total revenue	**9,948**	12,305

4. Other income

	2014 **€'000**	2013 €'000
Net gain on disposal of investment	**–**	547
Net gain on disposal of subsidiary	**–**	762
Net gain on disposal of fixed asset	**84**	68
Total other income	**84**	1,377

5. Expenses and auditor's remuneration

Included in comprehensive income are the following:

	2014 **€'000**	2013 €'000
Depreciation of property, plant and equipment – owned assets	**1,063**	1,097
Operating lease rental – land and buildings	**215**	328
Share-based payments	**110**	359
Impairment of investment (see Note 13/Note 14)	**–**	3
Impairment of development costs	**–**	90
Impairment of receivables	**–**	109
Other expenses – restructuring charges	**–**	783

Services provided by the Group's auditor:

During the year the Group obtained the following services from the Company's auditor, KPMG LLP:

	2014 **€'000**	2013 €'000
Audit of these financial statements	**89**	97
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**16**	17
Total services	**105**	114

Non-audit services – there were no non-audit services provided in the year.

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:

	Number of employees	
	2014	2013
US	**8**	10
Africa	**42**	44
Group (Other)	**15**	24
	65	78

The aggregate payroll costs of continuing operations were as follows:

	2014 **€'000**	2013 €'000
Wages and salaries*	**3,523**	4,603
Share-based payments (see Note 7)	**110**	359
Social security costs	**323**	348
	3,956	5,310

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

* Included within wages and salaries is €14,114 of redundancy payments (2013:€163,764).

7. Share-based payments

During the year, the Group operated share-based incentive plans called the Long-Term Incentive Plan (the "LTIP") and the Camco 2006 Executive Share Plan. The expense recognised in the year in respect to the plans is set out below.

	2014 **€'000**	2013 €'000
Camco 2006 Executive Share Plan	**110**	359
	110	359

Long-Term Incentive Plan

The Board approved the LTIP under which Directors and employees were entitled to equity-settled payment following vesting years after 31 December 2011 and 2012 and upon certain market and non-market performance conditions being met for the reporting years ending 31 December 2012 and 2013.

The Board now considers the LTIP closed and accordingly no further awards were made during the year. All outstanding awards are vested as follows:

	2014 Number of options	2013 Number of options
Outstanding at the beginning of the year	**–**	1,500,000
Granted during the year	**–**	–
Forfeited during the year	**–**	(750,000)
Vested during the year	**–**	(750,000)
Outstanding but not vested at the end of the year	**–**	–
Vested and exercisable at the end of the year	**750,000**	750,000

Camco 2006 Executive Share Plan (the "Plan")

On 27 July 2012, the Company resolved at general meeting to amend the terms of the Plan such that awards could be made under the Plan for a period of 10 years from 27 July 2012 over up to 10 per cent. of the ordinary shares in issue as 27 July 2012 and any shares subsequently issued from time to time.

Purpose The purpose of the Plan is to incentivise Directors and employees to ensure market (share price) and non-market (operational) performance targets are met over the vesting period. The Plan will align management's objective with those of the shareholders.

Market-based performance condition The options currently issued under the Plan will vest at different levels depending on the Company's share price performance, subject to the non-market performance conditions being met. These options will vest in 3 equal tranches upon the Company's 45 day volume weighted average share price reaching or exceeding the levels of 3p, 5p and 7p during the life of the options.

Non market performance conditions The Plan will only vest if all the non-market performance conditions are met. These non-market performance conditions are based on specific and measurable operational targets set by the Board. The employee or Director must remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

The Plan options 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 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 have not been included in the valuation of the awards.

	2014 Number of options	2013 Number of options
Outstanding at the beginning of the year	**16,650,172**	–
Granted during the year	**–**	16,650,172
Forfeited during the year	**–**	–
Vested during the year	**–**	–
Outstanding at the end of the year	**16,650,172**	16,650,172
Exercisable at the end of the year	**–**	–

Options outstanding at the end of the year

	2014	2013
Weighted average share price at grant (€ cents)	**3.3**	3.3
Weighted average fair value of option (€ cents)	**2.8**	2.8
Exercise price (€ cents)	**1.0**	1.0
Weighted average life at grant (years)	**10.0**	10.0

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 income statement is €Nil (2013: €Nil), 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

	2014 €'000	2013 €'000
Finance income		
Interest on bank deposits	**24**	6
Unwinding of discount on accrued revenue	**2**	5
	26	11
Finance expense		
Interest on borrowings	**(767)**	(777)
Other interest	**(4)**	(73)
	(771)	(850)
Foreign exchange movements	**250**	(439)
Net finance expense	**(495)**	(1,278)

10. Taxation

Recognised in the income statement

	2014 €'000	2013 €'000
Current tax (credit)/expense:		
Foreign tax	**(55)**	94
Adjustments recognised in the current year in relation to prior years	**6**	–
	(49)	94
Deferred tax expense:		
Movement in deferred tax asset in current year	**(75)**	(10)
Total income tax in the income statement	**(124)**	84

The tax charge for the period is lower (2013: higher) than the 0% rate of corporation tax in Jersey and the differences are explained below:

Reconciliation of effective tax rate

	2014 €'000	2013 €'000
Loss before tax	**(2,307)**	(3,591)
Loss before tax multiplied by 0% rate of corporation tax in Jersey (2013: 0%)	**–**	–
Effects of:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(132)**	(9)
Non-deductible expenses	**32**	58
Change in temporary timing differences	**(83)**	18
Recognition of previously unrecognised tax losses	**–**	(17)
Deferred tax not recognised	**–**	(17)
Unutilised losses carried forward	**53**	51
Adjustments recognised in the current year in relation to prior years	**6**	–
Total income tax (credit)/charge in the income statement	**(124)**	84

The Company is liable to Jersey income tax at 0%. The Company will apply for and expects to be granted Jersey tax status for future years.

The Company's subsidiaries carry on business in other tax regimes where the corporation tax rate is not zero. At 31 December 2014, the Group had UK tax losses carried forward within certain UK subsidiaries for utilisation in future periods for continuing operations amounting to €1,561,000 (2013: €1,220,000). However due to the uncertainty within these UK subsidiaries as to the timing and extent of future profits no deferred tax assets have been recognised in respect of these tax losses carried forward within these subsidiaries and therefore the Group.

Notes (continued)

A Deferred Tax Asset has been recognised in respect of certain Share Options and Accelerated Capital Allowance charges as set out below:

Deferred tax

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

	2014	2013
	€'000	€'000
Deferred tax asset at 1 January	**32**	22
Foreign exchange movement	**2**	–
Current year credit	**75**	10
Deferred tax asset 31 December	**109**	32

Deferred tax asset comprises of:

	2014	2013
	€'000	€'000
Share options	**92**	4
Accelerated Capital Allowances	**17**	28
Net Deferred tax asset 31 December	**109**	32

11. Loss per share

Loss per share attributable to equity holders of the Company is calculated as follows:

	2014	2013
	€ cents per share	€ cents per share
Basic loss per share		
From continuing operations	**(0.97)**	(1.89)
From continuing and discontinued operations	**(0.97)**	(1.93)
Diluted loss per share		
From continuing operations	**(0.97)**	(1.89)
From continuing and discontinued operations	**(0.97)**	(1.93)
Loss used in calculation of basic and diluted loss per share	**€'000**	€'000
From continuing operations	**(2,183)**	(3,675)
From continuing and discontinued operations	**(2,183)**	(3,747)
Weighted average number of shares used in calculation		
Basic	**224,996,447**	194,316,128
Diluted	**224,996,447**	194,316,128

Weighted average number of shares used in calculation – basic and diluted

	2014	2013
	Number	Number
Number in issue at 1 January	**208,127,166**	189,678,093
Effect of own shares held	**–**	–
Effect of share options exercised	**–**	–
Effect of shares issued in the year	**16,869,281**	4,638,035
Weighted average number of basic shares at 31 December	**224,996,447**	194,316,128

12. Property, plant and equipment

Computer and office equipment

	2014	2013
	€'000	€'000
Cost at 1 January	**351**	1,312
Additions	**15**	44
Disposals	**(21)**	(780)
Reclassification	**–**	(219)
Effect of movements in foreign exchange	**19**	(6)
Cost at 31 December	**364**	351
Accumulated depreciation at 1 January	**(276)**	(1,027)
Charge for the year	**(54)**	(152)
Disposals	**21**	899
Effect of movements in foreign exchange	**(16)**	4
Accumulated depreciation at 31 December	**(325)**	(276)
Net book value at 1 January	**75**	285
Net book value at 31 December	**39**	75

Leasehold improvements

	2014	2013
	€'000	€'000
Cost at 1 January	**–**	688
Additions	**–**	3
Disposals	**–**	(689)
Effect of movements in foreign exchange	**–**	(2)
Cost at 31 December	**–**	–
Accumulated depreciation at 1 January	**–**	(504)
Charge for the year	**–**	(93)
Disposals	**–**	595
Effect of movements in foreign exchange	**–**	2
Accumulated depreciation at 31 December	**–**	–
Net book value at 1 January	**–**	184
Net book value at 31 December	**–**	–

Notes (continued)

Construction in Progress

	2014 €'000	2013 €'000
Cost at 1 January	**–**	1,752
Disposals	**–**	(1,752)
Cost at 31 December	**–**	–
Accumulated depreciation and impairment losses at 1 January	**–**	(528)
Disposal	**–**	528
Accumulated depreciation and impairment losses at 31 December	**–**	–
Net book value at 1 January	**–**	1,224
Net book value at 31 December	**–**	–

Project plant and equipment

	2014 €'000	2013 €'000
Cost at 1 January	**16,608**	15,228
Acquired through business combination	**–**	1,907
Additions	**16**	–
Reclassification	**–**	148
Effect of movements in foreign exchange	**2,286**	(675)
Cost at 31 December	**18,910**	16,608
Accumulated depreciation at 1 January	**(1,102)**	(363)
Charge for the year	**(1,009)**	(852)
Reclassification	**–**	71
Effect of movements in foreign exchange	**(225)**	42
Accumulated depreciation at 31 December	**(2,336)**	(1,102)
Net book value at 1 January	**15,506**	14,865
Net book value at 31 December	**16,574**	15,506

Total property, plant and equipment

	2014 €'000	2013 €'000
Cost at 1 January	**16,959**	18,980
Acquired through business combination	**–**	1,907
Additions	**31**	47
Disposals	**(21)**	(3,221)
Reclassification	**–**	(71)
Effect of movements in foreign exchange	**2,305**	(683)
Cost at 31 December	**19,274**	16,959
Accumulated depreciation and impairment losses at 1 January	**(1,378)**	(2,422)
Charge for the year	**(1,063)**	(1,097)
Disposals	**21**	2,022
Reclassification	**–**	71
Effect of movements in foreign exchange	**(241)**	48
Accumulated depreciation and impairment losses at 31 December	**(2,661)**	(1,378)
Net book value at 1 January	**15,581**	16,558
Net book value at 31 December	**16,613**	15,581

13. Investments in Associates and Joint Ventures

Investments in Associates and Joint ventures held on Balance Sheet are as follows;

	AG Power LLC €'000	REDH €'000	ESD Biomass €'000	Total €'000
Balance at 1 January 2014	–	2,576	–	2,576
Share of loss	–	(126)	–	(126)
Foreign exchange movement	–	83	–	83
Balance as 31 December 2014	**–**	**2,533**	**–**	**2,533**

On 30 December 2014, ESD Biomass Limited was dissolved. No gain or loss was recognised on the disposal.

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

2014	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit/(loss) €'000
AG Power LLC	**Joint Venture**	**40%**	**1,072**	**–**	**1,072**	**–**	**(4)**	**(4)**
REDH	**Joint Venture**	**53.8%***	**4,164**	**(2,405)**	**1,759**	**2,011**	**(2,245)**	**(234)**

2013	Investment	Holding	Total assets	Total liabilities	Net assets	Revenue	Expenses	Profit/(loss)
AG Power LLC	Joint Venture	40%	921	–	921	–	(31)	(31)
ESD Biomass Ltd	Joint Venture	50%	–	(74)	(74)	–	–	–
REDH	Joint Venture	53.8%	3,789	(1,708)	2,081	603	(703)	(100)

The Group has made no provisions in respect of AG Power LLC as there is no constructive or legal obligation for the Group to settle any future liabilities on its behalf. Hence the investment, which has nil or net liabilities, is not recognised in these financial statements.

* On a fully diluted basis Camco has a 49.8% interest in REDH

14. Other investments

	2014 €'000	2013 €'000
Net book value at 1 January	**–**	3
Impairment	**–**	(3)
Net book value at 31 December	**–**	–

15. Prepayments and accrued income

	2014 €'000	2013 €'000
Prepayments	**466**	164
Accrued income – CDC accruals	**133**	265
Accrued income – US	**942**	568
Accrued income – Africa	**355**	455
	1,896	1,452

16. Trade and other receivables

	2014 €'000	2013 €'000
Trade receivables	**968**	611
Other receivables	**623**	535
Cash on deposit against bank guarantee	**–**	222
	1,591	1,368

17. Cash and cash equivalents

	2014 €'000	2013 €'000
Cash on deposit	**3,290**	3,492
Cash held for restricted use*	**767**	980
	4,057	4,472

* Included within cash and cash equivalents is a debt reserve balance of €767,000 (2013: €980,000) in relation to the Jerome Facility (US).

18. Trade and other payables

	2014 €'000	2013 €'000
Trade payables and non CDC accruals	**3,112**	2,917
Other accruals – CDC accruals	**599**	1,245
	3,711	4,162

19. Financial risk management

The Group 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 has been significantly affected by demand and supply considerations which have led to large fluctuations in market prices. The Group does not actively manage this risk however it does seek to lock in contract certainty with fixed or floor price when beneficial opportunities arise. Due to the lack of liquidity in the carbon market, the Group have only recognised accrued income where credits are being actively marketed to lock in a price.

Counterparty Credit risk Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from the Group's operating activities, primarily its receivables from customers. The Group has implemented a credit scoring process 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 20.

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 20.

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	Chinese Yuan €'000	South Africa €'000	Other €'000	Total €'000
Balances at 31 December 2014	**195**	**641**	**2,387**	**799**	**6**	**29**	**4,057**
Balances at 31 December 2013	720	112	3,019	575	20	26	4,472

The majority of Group Cash foreign currency exposure is to the USD, CNY and GBP exchange rates. At the balance sheet date, a 5% movement, either positive or negative, in these rates would result in a €201,000 and €182,000 income statement gain or loss, respectively.

Interest rate risk The Group has €12.1m (2013: €10.4m) of borrowing in the form of a secured loan facilities over which interest is charged. All loans have a fixed rate interest charge in 2014 and 2013. Secured loans are secured against the assets and operations of the Jerome & Twin Falls Facilities. The Directors consider interest rate risk to be immaterial due to the fixed nature of the interest rate on the loans themselves. 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 material difference between the carrying values and fair values of the Group's financial assets and liabilities.

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.

20. 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:

	2014	2013
	€'000	€'000
Trade and other receivables	**1,591**	1,368
Cash on deposit	**4,057**	4,472
	5,648	5,840

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

	2014	2013
	€'000	€'000
EMEA	**1,064**	1,032
USA	**527**	336
ASIA	**–**	–
	1,591	1,368

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

	2014	2013
	€'000	€'000
Current	**1,036**	543
Past due under 30 days	**65**	197
Past due between 31 and 120 days	**199**	338
Past due between 121 and 1 year	**68**	115
Past due more than 1 year	**223**	175
	1,591	1,368

Impairment losses

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

	2014	2013
	€'000	€'000
Balance at 1 January	**163**	1,206
Written off against provision	**(60)**	(1,152)
Increase in provision	**60**	109
Effects in movement of foreign exchange	**8**	–
Balance at 31 December	**171**	163

Liquidity risk

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

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact netting agreements for both continuing and discontinued operations:

Non-derivative financial instruments

	Carrying 2014 €'000	**Con-tractual 2014 €'000**	**1 year or less 2014 €'000**	**1–2 years 2014 €'000**	**2–3 years 2014 €'000**	**3–4 years 2014 €'000**	**More than 4 years 2014 €'000**
Secured loans	**12,131**	**(12,131)**	**(384)**	**(616)**	**(708)**	**(759)**	**(9,664)**
Non CDC trade and other payables	**3,112**	**(3,112)**	**(3,112)**	**–**	**–**	**–**	**–**
CDC Accruals	**599**	**(599)**	**(599)**	**–**	**–**	**–**	**–**

Non-derivative financial instruments

	Carrying 2013 €'000	Con-tractual 2013 €'000	1 year or less 2013 €'000	1–2 years 2013 €'000	2–3 years 2013 €'000	3–4 years 2013 €'000	More than 4 years 2013 €'000
Secured loans	10,376	(10,376)	(492)	(493)	(528)	(569)	(8,294)
Non CDC trade and other payables	2,917	(2,917)	(2,917)	–	–	–	–
CDC Accruals	1,245	(1,245)	(1,245)	–	–	–	–

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

21. Deferred Income

	2014 €'000	2013 €'000
Non-current liabilities		
Deferred income – grant	**4,251**	4,024
	4,251	4,024
Current liabilities		
Deferred income – grant	**313**	276
Deferred income – other	**44**	158
	357	434

During 2014, the Group recognised $380,496 (€288,545) (2013: $380,496 (€275,846)) of government grant income in the Statement of Comprehensive Income.

22. Loans and borrowings

	Currency	Nominal Rate	Maturity	2014 €'000	2013 €'000
Non-current liabilities					
Secured loan – Jerome	USD	7.05%	2019	**11,243**	9,884
Secured loan – Twin Falls	USD	5.75%	2020	**504**	–
				11,747	9,884
Current liabilities				**€'000**	€'000
Secured loan – Jerome	USD	7.05%	2015	**287**	492
Secured loan – Twin Falls	USD	5.75%	2015	**97**	–
				384	492

The secured loans are secured against the related US biogas facilities

23. Issued share capital and reserves

	Number 2014 '000	2014 €'000	Number 2013 '000	2013 €'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	**208,127**	**2,081**	189,679	1,897
Issued in the year	**38,008**	**380**	18,448	184
Issued at 31 December	**246,135**	**2,461**	208,127	2,081

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. In July 2014 the Company issued 38,007,947 ordinary shares with a value of €380,079.

Share-based payment reserve

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

Translation reserve

The translation reserve comprises of 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 of the cost of the Company's shares held by the Group.

24. Financial commitments

At the end of the reporting period, the Group's future minimum lease payments under operating leases were as follows:

Operating lease commitments

	2014	2013
	€'000	€'000
Less than one year	**264**	215
Between 1 year and 5 years	**202**	165
	466	380

The leases relate to rent for properties within the Group.

25. Related parties

The Group has various related parties stemming from relationships with founding shareholders, a related business partner and key management personnel.

Shareholders and related business partners

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

Income statement

	2014	2013
	€'000	€'000
Administrative expenses:		
Consortia Partnership Limited	**48**	36

Balance sheet

	2014	2013
Trade and other payables:	**€'000**	€'000
Consortia Partnership Limited	**–**	–

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 27.

Equity accounted investees and joint ventures

The net amounts receivable from equity accounted investees and joint ventures is €586,847 (2013: €386,722). No amounts are receivable or payable to other joint venture participants.

The income statement impact of transactions with equity accounted investees and joint ventures in year is €240,252 (2013: €110,636).

Notes (continued)

26. Group entities

Significant subsidiaries

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

Investment	Country of incorporation	Principal activity	Ownership 2014	Ownership 2013
Direct subsidiary undertakings				
Camco Services (UK) Limited	England & Wales	Support Services	**100%**	100%
Camco (Mauritius) Limited	Mauritius	Holding company	**100%**	100%
Camco Holdings UK Limited	England & Wales	Holding company	**100%**	100%
Camco Sales Limited	England & Wales	Carbon Sales	**100%**	100%
Camco Voluntary Credits Limited	Jersey	Carbon contractor	**100%**	100%
Indirect subsidiary undertakings				
Camco International Carbon Assets Information Consulting (Beijing) Co. Ltd.	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 Ventures Limited	England & Wales	Research & Consultancy	**100%**	100%
Re-Fuel Technology Limited	England & Wales	Energy Storage Research & Development	**71%**	71%
Renewable Energy Dynamics Holdings Limited	Ireland	Energy Storage Research & Development	**54%**	54%
Renewable Energy Dynamics Technology Limited	Ireland	Energy Storage Research & Development	**54%**	54%
Renewable Energy Dynamics Technology Limited	England & Wales	Energy Storage Research & Development	**54%**	54%
Camco International Group, Inc.	United States of America	Business services	**100%**	100%
Camco Advisory Services (Kenya) Limited	Kenya	Consultancy	**100%**	100%
Camco Advisory Services (Tanzania) Limited	Tanzania	Consultancy	**100%**	100%
Camco Advisory Services (Beijing) Limited	China	Research & Consultancy	**100%**	100%
Camco Offsets I LLC	USA	Carbon contractor	**100%**	100%
Camco Advisory Services West Africa Sarl	Togo	Consultancy	**100%**	100%
AG Power Jerome LLC	United States of America	AG Methane project development	**100%**	100%
Ag Power DCD LLC	United States of America	Clean Energy Development	**100%**	100%
Ag Power Visalia LLC	United States of America	AG Methane project development	**100%**	100%
Ag Investors I LLC	United States of America	Clean Energy Development	**100%**	100%

27. Directors' share interests

	Number	
	2014	2013
Executive Directors		
Scott McGregor	**11,973,126**	4,241,592
Jonathan Marren	**4,521,959**	3,310,892
Non-executive Directors		
Jeffrey Kenna	**2,162,325**	2,037,830
Michael Farrow	**86,230**	81,158

The beneficial interests of the Directors in the ordinary share capital of the Company are shown above. In addition, certain of 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 18 to 21.

28. Post balance sheet events

Post the year end, the Group concluded a structured transaction which assigned rights to the future stream of certain CCOs generated between 2015 and 2020 from the majority of Agricultural Methane projects that it manages. As part of the structure, Camco received an initial cash payment of $1.74 million. Additionally, Camco may receive a deferred and conditional payment of up to $0.5 million by 31 December 2015.