# redT energy plc

## Annual Report and Financial Statements

Jersey registered 92432

31 December 2015

## Contents

Chairman's report 3
Chief executive officer's report 4
Financial review 7
Directors' report 11
Report of the remuneration committee 17
Statement of directors' responsibilities in respect of the annual report and the financial statements 21
Independent auditor's report to the members of redT energy plc 22
Consolidated statement of financial position 24
Consolidated statement of comprehensive income 25
Consolidated statement of changes in equity 26
Consolidated statement of cash flow 28
Notes 29

# Chairman's report

Last year I reported that the Board had adopted a strategy of developing each of the three business units; redT Energy Storage business, Africa Clean Energy business, and our US business, and that it was our intention to reorganise in order to give the business a clear focus. By far the greatest shareholder value is in energy storage so our activities in 2015 centred around this business unit, culminating with the acquisition of the balance of shares in REDH, for which we welcome our new shareholders who have been our joint venture partners in REDH for the past 5 years. The sale of our US biogas assets at the end of the year and the recent share placement post year end have given us the funds we need for our redT Energy Storage business to complete the market seeding installations and roll out sales of the Generation Two design. Given the new focus, it was appropriate to reflect this in the name of the Group Company, so in November we became redT energy plc.

There is no doubt that the energy storage market is poised for rapid growth. Last year saw record investment in renewable energy despite low fossil fuel prices. The international agreement at the Paris Conference of the Parties (COP) to the UNFCCC in December means that this investment will not stop, and by their nature renewable energy technologies need storage. In a market that has been dominated by the lead acid battery, new technologies will need to prove themselves in terms of operational reliability, longevity and financial viability. It is encouraging that lithium ion batteries are already showing financial viability for short term storage at utility scale, opening up a new application where the lead acid battery has been unable to meet the market requirements.

Our task now is to make the redT energy system the preferred choice for longer term energy storage. From the enquiries that we receive, it is clear there is a latent demand for a storage system that performs reliably and economically. However, we need to take the commercialisation step by step and not fall into the trap of selling a product that is not market ready. Proving the performance of the market seeding units this year will be a major step forward, as will sales of the Generation Two lower cost system. These are our primary objectives for 2016 as we set redT energy on course for an exciting future.

Our hard working team have had another busy year and succeeded in delivering the targets that were set by the Board. Separately, I would also like to thank Jonathan Marren who stepped down as Chief Financial Officer on 29 February 2016. Jonathan joined the Group in 2012 and helped oversee the successful transition of the business from a CDM Carbon project developer to where we are today. On behalf of the Board, I would like to thank him for his commitment and dedication throughout this period. We are pleased that we have retained Jonathan's considerable knowledge and wisdom in his new role with redT energy as a Non-executive Director. Additionally, we are pleased that Scott Laird, previously the Group Financial Controller, agreed to become the Finance Director (non-Board Director). Scott has been with the Group for over a year, during which time he played a key role in the running of the Group finance function, and we are extremely confident that Scott will continue to make a significant contribution to the Group as Finance Director. Finally, the Board was pleased to announce on 15 February 2016, the appointment of John Ward as Non-executive Director. John has been an investor in the REDH business since 2009 and his 13 years' experience in the renewable energy sector is an invaluable addition to the Board.

Once again, I would like to thank the entire team together with my fellow Non-executive Directors for the contributions that they have made to the Company and look forward to a successful 2016.

**Jeffrey Kenna**
Chairman
26 April 2016

# Chief executive officer's report

## Summary and Outlook

The year 2015 was a major landmark in the evolution of the Camco Clean Energy group of businesses, and marked the beginning of an exciting new era for the Group.

In 2014, I highlighted the importance of the further development and commercialisation of our energy storage technology, redT energy. I am now pleased to report that the past year has been defined by the successful shift in our focus towards a pure play energy storage business. 2015 also saw key developments to our Group structure which are critical to our future growth; the consolidation of our redT minority shareholding to increase our business' stake in redT to 99.7% and the sale of our US assets, namely our biogas assets and carbon offset portfolio. Our commitment to the future was further underlined by the change in company name from Camco Clean Energy plc to redT energy plc, which was approved at an Extraordinary General Meeting in November 2015.

Having previously signed an agreement with one of the world's leading manufacturing companies, we were able to accelerate the product development phase throughout the year and made significant progress towards the commercialisation of the redT energy storage system. This culminated in the delivery of the first manufactured unit in October, followed by additional unit orders in the months that followed. Our aim is to prove the Generation One manufactured products in multiple applications as market seeding units, with seven of these units having already been announced. A further five customer applications will be announced in due course, having been carefully selected to demonstrate product functionality.

After 15 years of research and development, we were pleased to announce in April that redT had won the prestigious Irish Times Innovation Award within the category of "Energy and Environment". The Awards showcase and reward excellence in innovation across a range of products and services, with redT being selected on the strength of its energy storage system and its ability to address the storage needs of a very broad range of medium and large applications. External recognition of the redT system as a leading innovation within the energy storage industry is a major accolade, and serves to further underline the robust nature of our technology and the product's versatility for use in multiple markets.

Elements of the Group's residual business interests remain as subsidiary activities of redT energy. The Africa Clean Energy business, as one of these entities, developed strongly throughout the year, resulting in the business segment reporting a profit for the period. In addition to this, we also consider Africa to have strong potential in becoming a key redT energy storage market in the future. Lastly, in the US we successfully converted our existing carbon and biogas assets into cash that will be used for the further development of the redT energy storage system.

Clearly, 2015 was an important milestone in the development of the Group, and the path we will take in 2016 is now well defined as a result. Our primary focus will remain on the commercialisation of the redT energy storage systems as we continue to implement our Generation One manufactured product, in multiple applications through our market seeding program. This education process will be a key priority for us in 2016, learning even more about how our customers integrate the systems into their own applications. This is not only a learning process for us, but also for our customers and the market as a whole.

In short, our achievements in 2015 mean that redT is now a fully focused and consolidated pure play energy storage business, and with the pending release of our Generation Two product, we are firmly on track towards unlocking the door to the commercial market in 2016.

## Operational review

The Group reports its results in the following segments; US business, Africa Clean Energy business, redT Energy Storage business and Group (Other). Each individual segment is addressed in further detail in the sections below.

### *redT Energy Storage business*

Following the successful roll-in of minority interests in REDH, which was completed in December, redT energy plc now owns 99.7% of REDH. This marked an important milestone for the business with energy storage becoming the primary focus for the Group, a move which was reflected by the change of company name from 'Camco Clean Energy' to 'redT energy'.

redT's partnership with a major global manufacturing company continued to grow positively throughout the year and strong progress has been made with regards to development of the manufactured product. To date, a total of seven suitable locations, from the UK to Africa, which fit a range of applications for the market seeding units, have been announced to the market. In October, redT took delivery of the first of its Generation One, manufactured market seeding units, which was commissioned and installed at the company's research and development facility in Wokingham. After implementation at the site, the unit became grid tied in December, charging from and discharging into the distribution network. The successful delivery and continued operation of this initial unit was a very positive step and has paved the way for redT to move the business towards the next commercial phase. redT's patented vanadium flow battery energy system has one of the lowest available levelised costs of storage over the lifetime of the system, and coupled with its suitability for a wide range of applications, from utility scale to off-grid or weak-grid locations, this is expected to lead to strong future customer demand for the system in the years to come.

These market seeding units are a vital element in the further development of the business and form part of an important educational process, not only for redT, but also for the market as a whole, in terms of proving the benefits and reliability of the technology. This was underlined in December when we announced that one of Europe's largest utility companies, operating throughout the UK, would take delivery of a market seeding unit to a warehousing and logistics company in South West England. The utility intends to use the system to demonstrate improved payback on the customer's existing PV installation and we will work closely alongside them throughout this process.

In parallel to the market seeding programme discussed above, the business has also progressed strongly with the development of the Generation Two systems. In early 2016, the business opened a new office in Livingston, Scotland. This office, in close proximity to the manufacturing facility where the units are assembled, will act as a focal point for the design and engineering team, and will play an important role in supporting and accelerating the next phase in the product's further development and manufacture.

Now that redT has been set up structurally for growth, we are set to build the business into its commercial stage of product deployment.

### *US business*

Within our US business, we successfully converted our assets into cash that will be used to progress the further development of our redT energy storage system.

In June, we announced the sale of our US carbon credit portfolio to a major multinational corporation. This transaction provided price security to our dairy partners for the credits generated by their projects and was the first of its kind in the US and California Carbon Offset market.

# Chief executive officer's report (continued)

In December, we also completed the sale of our US Biogas assets, the Jerome biogas facility and the Twin Falls facility. This transaction removed debt from the Group balance sheet and completed the restructure of the business. redT still retains service contracts from legacy business regarding these assets, thereby ensuring asset purchasers are effectively serviced and also providing useful cash flow into the business.

I'd like to thank our US team for building such market leading businesses in the biogas and carbon offset project sectors.

## *Africa Clean Energy business*

The Africa Clean Energy business saw further strong development throughout 2015 and is set to continue its positive growth in 2016. The business successfully shifted its focus away from consultancy services and towards investment advisory services, utilising its proven track record in Africa and with 'boots on the ground' through our ongoing network of regional offices, to provide advice and support for a wide range of renewable energy projects and donors seeking to support them.

Within this scope, the business continues to provide ongoing advisory services to Green Africa Power LLP (GAP) through our partner EISER Infrastructure Partners LLP, and was able to add the management of an additional mandate, the Renewable Energy Performance Platform (REPP). Within the context of REPP, the business provides technical assistance and facilitates access to debt providers for a range of renewable energy projects in sub-Saharan Africa. This exciting new initiative breaks down the current finance and structuring barriers faced by smaller scale projects in the region and represents another positive step forward in the development of the Africa Clean Energy business.

Our African Clean Energy business now has a solid base from which to grow its activities in a region attracting significant global capital to invest in clean, distributed energy.

## *Group (Other)*

Our EU ETS compliance services specialist continues to work with installations covered by the ETS to help them manage their regulatory position, whilst also managing the legacy carbon business associated with the Group's portfolio. This activity has created useful revenues and cash flow through to the business in the year, however it should not be seen as a core activity of the Group, or with a continuation period beyond the short term.

I would like to personally thank all our staff, business partners and shareholders who have been most supportive throughout this transition of the Group to focus on the development of redT. We look forward to the next few years delivering redT energy storage systems to satisfy the growing global demand for long duration, stationary energy storage.

**Scott McGregor**
Chief Executive Officer
26 April 2016

# Financial review

## Overall Group result

As explained in the Chairman's and Chief Executive Officer's reports, during 2015 the Group underwent significant changes to the structure of the business; acquiring additional REDH shareholding in order to fully consolidate the subsidiary within the Group; disposal of the US biogas assets, providing cash resources for the Group, as well as removing debt burden from the balance sheet; completing the strategic refocus of the Africa Clean Energy business away from the historic low margin consultancy business, towards the growing investment advisory business.

The Group recorded a profit for the year of €0.7m compared to a loss of €2.2m in 2014, primarily as a result of the structural changes to the business producing one off gains in the period. Revenue increased from €5.6m to €11.1m off the back of carbon related activity in the US and EU, with gross margin achieved maintaining year-on-year margin percentages and increasing from €2.4m to €4.8m. Underlying administrative expenses remain tightly controlled, with an increase year-on-year directly as a result of the changes implemented, from €5.2m to €6.3m. The result was the recording of a loss from operating activities of €1.5m (2014: loss €2.7m).

A net one off gain of €2.0m as a result of the acquisition of the REDH business, offset by the share of loss relating to pre-acquisition trading of the investment €1.4m, contributed towards a loss from continuing operations of €0.7m (2014: loss €2.5m). A one off net gain of €1.4m from the disposal of discontinued operations, turned the continuing operations loss for the year into an overall Group recorded profit of €0.7m (2014: loss €2.2m). Positive exchange differences on translation of foreign operations produced a total comprehensive income for the year of €1.0m (2014: loss €1.9m).

### *redT Energy Storage business*

The redT business is focused on the on-going development of its energy storage system, with the results for the period being reflective of an operating cost centric business, on the threshold of producing a full commercial offering. As such, a minor gross margin loss of €0.1m and an overall segmental loss of €0.5m was recorded.

The financials for 2015 equate to three months (October – December 2015) following the roll-in acquisition during the year, which took the business from being an investment to a fully consolidated subsidiary.

### *US business*

Following the sale of the US biogas business, and subsequent classification to discontinued operations, US revenue and activity from continuing operations during the year was centred on the management and sale of Californian Carbon Offsets (CCOs). The year also included a major transaction with a multinational corporation to assign to them the rights for the remaining CCOs from the Agricultural Methane projects that the US business managed, generating revenue and cash in the period of €2.3m.

The outlook for the US business is now focused on the management of the biogas facilities for which it was awarded the contract to manage following their sale. Any revenues generated from carbon activity will be very limited compared with previous years.

The US business recorded revenue of €4.8m (2014: €2.0m), gross margin €3.3m (2014: €0.7m) and segmental profit €1.4m (2014: loss €0.7m).

### *Africa Clean Energy business*

Through 2015 the Africa Clean Energy business continued to build its business with the successful award of the mandate to manage the Renewable Energy Performance Partnership (REPP) in

partnership with Greenstream Network Ltd. In addition to the existing co-advisory mandate to Green Africa Power LLP (GAP), this marks the successful transition away from low margin consultancy services towards a dedicated investment advisory business.

The business continues to benefit from its wide range of local and international contacts and expertise in African clean energy, whilst also continuing to maintain offices in Kenya, Ghana, South Africa and the UK. These strengths, combined with the shift to an investment advisory business, provides a more sustainable African business that is well positioned to exceed the expectations of its clients.

The Africa business recorded revenue of €1.2m (2014: €0.8m), gross margin €1.1m (2014: €0.6m) and segmental profit €0.1m (2014: loss €0.1m).

## Group (Other)

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

The CDM Carbon business recorded revenue of €0.15m (2014: €0.8m)/gross profit €0.05m (2014: €0.7m). The limited margin made in this area goes directly towards the management and reduction of the historic CER/VER carbon balances position.

The following table sets out the value of the net CER/VER carbon balances included within the Group assets as of 2015 and for prior years 2010-2014:

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| Accrued Income | 100 | 133 | 265 | 516 | 15,939 | 40,907 |
| Intangible Assets – CER | – | – | – | – | 644 | 2,030 |
| Work in Progress – CDC | – | – | – | – | 3,199 | 6,053 |
| Other CDC accruals | (529) | (599) | (1,245) | (3,175) | (7,668) | (9,207) |
| Payment on account received | – | – | – | (2,550) | (6,426) | (10,200) |
| **Total net asset/(liability)** | **(429)** | **(466)** | **(980)** | **(5,209)** | **5,688** | **29,583** |

At the end of 2015, the CDM Carbon business had an effective net liability of €0.4m, reduced from €0.5m in 2014. As indicated in 2014, the Directors will continue to work diligently in reducing the remaining net liability.

The EU ETS Compliance Services business provided a positive net margin to the group in the year – revenue €4.7m (2014: €1.8m)/gross profit €0.2m (2014: €0.3m). As has been communicated in previous years at length, the nature of the wider carbon market means that the Group is not projecting or reliant upon meaningful revenues and margin being generated beyond the short term, and is not a core activity of the Group.

## Group operating expenses

Overall administration expenses from continuing operations increased for the first time in three years, directly as a result of the major structural changes that the Group underwent during the year. Administration expenses rose by €1.1m, from €5.2m to €6.3m, an increase of 21% (2014: 24% reduction).

The increased administration expenses were in the main as a result of; fees in connection with the sale of the US biogas business €0.3m, fees incurred as a result of the REDH roll-in acquisition €0.15m, operating expenses for the REDH business as now a fully consolidated subsidiary €0.4m, and the continued development of the Africa Clean Energy business away from consultancy to an investment advisory model €0.2m.

Taking into account the above additional expenditure items, which resulted in the year-on-year increase, Group administration expenses across each of the operating segments were; US €1.9m (2014: €1.5m), Africa €1.0m (2014: €0.7m), redT €0.45m (2014: €Nil), Group (Other) €3.0m (2014: €2.8m).

The Group continues to maintain tight expenditure control and operate from a lean cost base. Following the successful structural changes that took place, the focus is now on efficient, planned and structured cash utilisation, as the Group looks to continue the development and growth of the redT energy storage system.

## Acquisition of equity accounted investee

During the year the Group acquired additional shareholdings in Renewable Energy Dynamics Holdings Limited (REDH – the holding company for the redT Energy Storage business), resulting in effective voting control over 100% shares in REDH, and by the end of 2015, an economic interest of 99.7% (Note 6).

REDH ceased being classed as an investment at the end of September, becoming a fully consolidated subsidiary from October onwards. For the period January – September 2015, the Group share of loss for the equity-accounted investee was €1.4m (2014: €0.1m), with the increased loss as a result of the nearing completion of the Gigha project, and the increased development costs that the business has committed to as it strides towards producing a fully commercialised product.

As part of the business acquisition, the original investment held by the Group in REDH was revalued, creating an income statement gain of €2.0m.

The overall net impact in the 2015 Income Statement for the equity accounted investee, in relation to accounting for the share of loss and gain on disposal, was a profit of €0.6m (2014: loss €0.1m).

## Discontinued operations

In line with previous announcements that the Board was exploring strategic alternatives to realise additional value from its US business activities, the Group sold its US biogas business in December for €4.1m, resulting in a net gain from disposal of €2.0m. As a result of the disposal during the year, all income statement activity for 2015 and 2014 in relation to the biogas facilities were re-classed to Discontinued Operations; loss €0.4m (2014: profit €0.3m).

With regards to the Africa Clean Energy business, Group strategy is to focus on the growth of the investment advisory business, moving away from the historic consultancy advisory business. As a result, the current Kenya and Tanzania consulting businesses are deemed non-core to the business strategy, and thus were both reclassified at year end as Assets Held for Sale, and are being held at nil value within the Group accounts. The resulting re-classification to Discontinued Operations for income statement activity recorded the following for both entities; Kenya loss €0.2m (2014: profit €0.05m), Tanzania loss €0.1m (2014: profit €0.01m).

The overall net impact to the 2015 Income Statement for Discontinued Operations was a profit €1.4m (2014: €0.3m) (Note 5).

# Financial review (continued)

## Cash and cash equivalents

At 31 December 2015, the Group held cash and cash equivalents of €2.9m (2014: €4.1m), with all cash available to the Group for general working capital purposes (2014: restricted €0.8m).

The Group's outstanding loans and borrowings were extinguished as part of the disposal of the US biogas business, having been secured against the biogas plants (2014: €12.1m). There are no unsecured loans held (2014: €Nil).

The key movements in cash during 2015 were: net proceeds received from the disposal of discontinued operations €0.7m; net cash acquired from the roll-in acquisition of the REDH business €0.6m, and cash outflow from operating activities €2.5m.

Two significant post balance sheet events (Note 31) resulted in the Group held cash and cash equivalents rising to €7.5m in available cash as at 31 March 2016; payment was received in full settlement of the outstanding Loan Note €2.4m from the sale and disposal of the US biogas business, and the Group raised £3.5m (before expenses) following a successful share issue of 51,851,852 Ordinary Shares on 10 February 2016.

**Scott Laird**
Finance Director
26 April 2016

# Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2015 (the "year").

## Tax and company status

redT 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 develop and supply durable and robust energy storage systems based on proprietary vanadium redox flow technology for on and off-grid applications.

## 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 2015, prepared in accordance with the Companies (Jersey) Law 1991 and the AIM Rules of the London Stock Exchange; in the Chairman's review on page 3; the Chief Executive Officer's review on pages 4 to 6; and the Financial review on pages 7 to 10 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 Group's financial risks can be found in Note 22 to these financial statements.

## Results and Dividends

The audited accounts for the Group for the year ended 31 December 2015 are set out on pages 24 to 28. The Group profit for the year after taxation was €0.7m (2014: loss €2.2m). The Board does not recommend the payment of a dividend for the year.

## The Directors

Details of the Directors who served during the year and present at date of signing are as follows:

| | |
|---|---|
| Scott McGregor | Chief Executive Officer |
| Jonathan Marren | Chief Financial Officer (resigned 29 February 2016)* |
| Jeffrey Kenna | Non-executive Chairman |
| Michael Farrow | Non-executive |
| Zainul Rahim bin Mohd Zain | Non-executive |
| John Ward | Non-executive (joined 15 February 2016) |

*Jonathan Marren re-joined the board as a Non-executive Director on 1 March 2016

## 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 30.

## Share Capital

The issued share capital of the Company at 1 January 2015 was €2,461,351.13 comprised of 246,135,113 ordinary shares of €0.01. There were no shares held in treasury.

During the period the Company issued 163,698,114 new ordinary shares:

- On 6 February 2015 the company issued 7,000,000 shares
- On 5 October 2015 the company issued 125,681,940 shares
- On 13 October 2015 the company issued 17,027,334 shares
- On 19 October 2015 the company issued 5,830,943 shares
- On 24 December 2015 the company issued 8,157,897 shares

The issued share capital of the Company at 31 December 2015 was €4,098,332.27 comprised of 409,833,227 ordinary shares of €0.01. There were no shares held in treasury.

## Substantial shareholdings

As at 31 March 2016, the following shareholders own more than 3% of the issued share capital of the Company:

| | % of issued share capital | Number of shares |
|---|---|---|
| Alchemy Projects (private investment vehicle of John Ward) | 21.10 | 97,419,319 |
| Payar Investments Ltd (subsidiary of Khazanah Nasional Berhad) | 13.48 | 62,229,986 |
| Dublin Business Innovation Centre | 3.69 | 17,031,882 |
| Anthony Millar | 3.57 | 16,480,342 |

## Political and charitable contributions

The Group made no political or charitable contributions during the year (2014: €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 are 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, in order to carry out the responsibilities delegated to him by the Board, maintains daily contact and holds regular meetings with senior managers within each business segment, 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 Group to bear within its particular business;
- The threat of such risks becoming reality;
- The Group'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 Financial review on pages 7 to 10. The financial position of the Group, its cash flows and liquidity position are described in the same report. In addition, Notes 22 to 23 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 and suppliers. 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 on Note 31.

## 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

26 April 2016

# 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 2014 and 2015 each of executive Directors waived their contractual entitlement to pension contributions (5%) for the entire year.

## Directors' remuneration during the year

| | 2015 Salaries and fees €'000 | 2015 Benefits in kind €'000 | 2015 Short-term performance related remuneration €'000 | 2015 Long-term performance related remuneration €'000 | 2015 Pension benefits €'000 | 2015 Total €'000 |
|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | |
| Scott McGregor | **277** | **2** | **55*** | **–** | **–** | **334** |
| Jonathan Marren | **207** | **2** | **41** | **–** | **–** | **250** |
| **Non-executive Directors** | | | | | | |
| Jeffrey Kenna | **83** | **–** | **–** | **–** | **–** | **83** |
| Michael Farrow | **49** | **–** | **–** | **–** | **–** | **49** |
| Zainul Rahim bin Mohd Zain | **42** | **–** | **–** | **–** | **–** | **42** |
| **Total** | **658** | **4** | **96** | **–** | **–** | **758** |

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

# Report of the remuneration committee (continued)

| | 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 fully paid (€78k outstanding to be settled).

** 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 2014 and 2015 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 were 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. Whilst in employment there is no defined time-lapse period, however post employment termination there is a 12 month exercise period.

The share-based payment charge booked in respect of the LTIP in these financial statements for Scott McGregor is €Nil (2014: €Nil).

The Company's share price at the end of the year was 7.875 pence/€0.1068 (2014: 6.13 pence/€0.0788). The highest share price in the year was 9.250 pence/€0.1254 (2014: 8.00 pence/€0.1001) and the lowest 3.375 pence/€0.0457 (2014: 3.50 pence /€0.0426).

## 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 at 27 July 2012 and any shares subsequently issued from time to time.

Under the Plan the Company can 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.

No further awards were made during the year, with the number of exercisable awards held by the Directors of the Company and amounts payable per share set out below. Awards held by Scott McGregor have a time-lapse period of 10 years from the date of grant (30 July 2023), and a period of 12 months post employment termination. Awards held by Jonathan Marren have a time-lapse period of 12 months post employment termination (28 February 2017).

| | At 31 December 2014 Share awards exercisable Number | Exercised Number | At 31 December 2015 Share awards exercisable Number | Price payable (per share) € |
|---|---|---|---|---|
| Scott McGregor | **10,406,358** | **7,000,000** | **3,406,358** | **0.01** |
| Jonathan Marren | **6,243,814** | **–** | **6,243,814** | **0.01** |
| **Total** | **16,650,172** | **7,000,000** | **9,650,172** | |

The Company’s share price at the end of the year was 7.875 pence/€0.1068 (2014: 6.13 pence/ €0.0788). The highest share price in the year was 9.250 pence/€0.1254 (2014: 8.00 pence/€0.1001) and the lowest 3.375 pence/€0.0457 (2014: 3.50 pence /€0.0426).

The share-based payment charge booked in respect of the plan in these financial statements for Scott McGregor is €Nil (2014: €69,049) and Jonathan Marren is €Nil (2014: €41,430).

**Market-based performance condition** The options issued under the Plan vested at different levels depending on the Company’s share price performance, subject to the non-market performance conditions being met. The options vested in three 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 vested only if all the non-market performance conditions were met. The non-market performance conditions were based on specific and measurable operational targets set by the Board. The employee or Director was required to remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

# Report of the remuneration committee (continued)

## 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 holds an employment contract with the Group dated 16 March 2006 and is terminable with 6 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. Jonathan Marren left the Group as Chief Financial Officer on 29 February 2016 and was appointed Non-executive director 1 March 2016.

The tables above comprise part of the audited financial statements.

By Order of the Board

**Zainul Rahim bin Mohd Zain**
Remuneration Committee Chairman
26 April 2016

# 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 redT energy plc

We have audited the group financial statements of redT energy plc (the "company") for the year ended 31 December 2015 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 the 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on the 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 2015 and of the group's profit 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
E14 5GL

26 April 2016

**Notes:**

- The maintenance and integrity of the www.redtenergy.com website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially presented on the website.

- 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 2015*

| | Notes | **2015 €'000** | 2014 €'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 15 | **101** | 16,613 |
| Intangible assets and goodwill | 7 | **14,989** | – |
| Investments in associates and joint ventures | 16 | **–** | 2,533 |
| Deferred tax assets | 13 | **132** | 109 |
| | | **15,222** | 19,255 |
| **Current assets** | | | |
| Prepayments and accrued income | 17 | **381** | 1,896 |
| Trade and other receivables | 18 | **1,058** | 1,591 |
| Other financial assets | 19 | **2,420** | – |
| Cash and cash equivalents | 20 | **2,935** | 4,057 |
| Assets held for sale | 5 | **–** | – |
| | | **6,794** | 7,544 |
| **Total assets** | | **22,016** | 26,799 |
| **Current liabilities** | | | |
| Loans and borrowings | 25 | **–** | (384) |
| Trade and other payables | 21 | **(5,522)** | (3,711) |
| Deferred income | 24 | **(408)** | (357) |
| Corporate tax payable | | **(150)** | (186) |
| | | **(6,080)** | (4,638) |
| **Non-current liabilities** | | | |
| Loans and borrowings | 25 | **–** | (11,747) |
| Deferred income | 24 | **(250)** | (4,251) |
| | | **(250)** | (15,998) |
| **Total liabilities** | | **(6,330)** | (20,636) |
| **Net assets** | | **15,686** | 6,163 |
| **Equity attributable to equity holders of the parent** | | | |
| Share capital | 26 | **4,098** | 2,461 |
| Share premium | | **85,375** | 76,917 |
| Share-based payment reserve | 26 | **773** | 756 |
| Retained earnings | | **(73,823)** | (74,513) |
| Translation reserve | 26 | **893** | 542 |
| Other reserve | 26 | **(1,621)** | – |
| Non-controlling interest | 26 | **(9)** | – |
| **Total equity** | | **15,686** | 6,163 |

The notes on pages 29 to 63 form an integral part of these consolidated financial statements.

These financial statements were approved and authorised for issue by the board of directors on 26 April 2016 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 2015*

| | Notes | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Revenue** | 3 | **11,106** | 5,569 |
| Cost of sales | | **(6,267)** | (3,194) |
| **Gross profit** | | **4,839** | 2,375 |
| Other income | 4 | **–** | 84 |
| Administrative expenses | | **(6,340)** | (5,152) |
| **Loss from operating activities** | | **(1,501)** | (2,693) |
| Financial income | 12 | **26** | 26 |
| Financial expenses | 12 | **(1)** | (4) |
| Foreign exchange movement | 12 | **165** | 212 |
| **Net financing expense** | | **190** | 234 |
| **Share of loss of equity-accounted investees** | 16 | **(1,417)** | (126) |
| **Gain on disposal of equity-accounted investee** | 6 | **2,016** | – |
| **Loss before tax** | | **(712)** | (2,585) |
| Income tax credit | 13 | **12** | 70 |
| **Loss from continuing operations** | | **(700)** | (2,515) |
| **Discontinued operations** | | | |
| Profit from discontinued operations (net of tax) | 5 | **1,370** | 332 |
| **Profit/(loss) for the year** | | **670** | (2,183) |
| **Other comprehensive income** | | | |
| *Items that are or may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences on translation of foreign operations | | **351** | 333 |
| **Total comprehensive income for the year** | | **1,021** | (1,850) |
| **Profit/(loss) for the year attributable to:** | | | |
| Equity holders of the parent | | **690** | (2,183) |
| Non-controlling interest | | **(20)** | – |
| | | **670** | (2,183) |
| **Total comprehensive income for the year attributable to:** | | | |
| Equity holders of the parent | | **1,041** | (1,850) |
| Non-controlling interest | | **(20)** | – |
| | | **1,021** | (1,850) |
| **Basic profit/(loss) per share in € cents** | | | |
| From continuing operations | 14 | **(0.24)** | (1.12) |
| From continuing and discontinued operations | 14 | **0.23** | (0.97) |
| **Diluted profit/(loss) per share in € cents** | | | |
| From continuing operations | 14 | **(0.24)** | (1.12) |
| From continuing and discontinued operations | 14 | **0.22** | (0.97) |

2014 results are restated to show the effect of operations which have been discontinued in the current period (see Note 5).

The notes on pages 29 to 63 form an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity
## *For year ended 31 December 2015*

| | Note | 2015 Share capital €'000 | 2015 Share premium €'000 | 2015 Share-based payment reserve €'000 | 2015 Retained earnings €'000 | 2015 Translation reserve €'000 | 2015 Other reserve €'000 | 2015 Total equity attributable to shareholders of the Company €'000 | 2015 Equity attributable to non-controlling interest €'000 | 2015 Total equity €'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance as at 1 January 2015 | | **2,461** | **76,917** | **756** | **(74,513)** | **542** | **–** | **6,163** | **–** | **6,163** |
| **Total comprehensive income for the year** | | | | | | | | | | |
| Profit for the year | | **–** | **–** | **–** | **690** | **–** | **–** | **690** | **(20)** | **670** |
| **Other comprehensive income** | | | | | | | | | | |
| Foreign currency transaction differences | | **–** | **–** | **–** | **–** | **351** | **–** | **351** | **–** | **351** |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **690** | **351** | **–** | **1,041** | **(20)** | **1,021** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | |
| *Contributions by and distributions to owners* | | | | | | | | | | |
| Share-based payments | **10** | **–** | **–** | **17** | **–** | **–** | **–** | **17** | **–** | **17** |
| Issuance of shares | **26** | **70** | **–** | **–** | **–** | **–** | **–** | **70** | **–** | **70** |
| Total contributions by and distributions to owners | | **70** | **–** | **17** | **–** | **–** | **–** | **87** | **–** | **87** |
| **Changes in ownership interests in subsidiaries** | | | | | | | | | | |
| Acquisition of subsidiary through Issuance of shares | **6, 26** | **1,567** | **8,458** | **–** | **–** | **–** | **(1,621)** | **8,404** | **11** | **8,415** |
| **Balance at 31 December 2015** | | **4,098** | **85,375** | **773** | **(73,823)** | **893** | **(1,621)** | **15,695** | **(9)** | **15,686** |

The notes on pages 29 to 63 form an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

## *For year ended 31 December 2014*

| | Note | 2014 Share Capital €'000 | 2014 Share premium €'000 | 2014 Share-based payment reserve €'000 | 2014 Retained earnings €'000 | 2014 Translation reserve €'000 | 2014 Other reserve €'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 | 10 | – | – | 110 | – | – | – | 110 | 110 |
| Issuance of shares | | 380 | 1,277 | – | – | – | – | 1,657 | 1,657 |
| Own shares | | – | – | – | – | – | – | – | – |
| 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 |

The notes on pages 29 to 63 form an integral part of these consolidated financial statements.

# Consolidated statement of cash flow

***For year ended 31 December 2015***

| | Notes | **2015 €'000** | 2014 €'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(loss) for the year | | **670** | (2,183) |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment | | **34** | 1,063 |
| Amortisation of deferred income | | **–** | (313) |
| Foreign exchange (gain)/loss on translation | 12 | **(165)** | 113 |
| Financial income | 12 | **(26)** | – |
| Financial expense | 12 | **1** | 745 |
| Impairment of receivables – bad debt write-off | | **–** | 60 |
| Share of loss of equity accounted investees | 16 | **1,417** | 126 |
| Gain on disposal of equity-accounted investee | 6 | **(2,016)** | – |
| Gain on sale of discontinued operations, net of tax | 5 | **(1,370)** | – |
| Gain on sale of fixed assets | | **–** | (84) |
| Equity settled share-based payment expenses | 10 | **17** | 110 |
| Taxation | 13 | **(12)** | (124) |
| | | **(1,450)** | (487) |
| (Increase)/decrease in trade and other receivables | | **121** | (586) |
| (Decrease) in trade and other payables | | **(1,218)** | (707) |
| | | **(1,097)** | (1,293) |
| **Net cash outflow from operating activities** | | **(2,547)** | (1,780) |
| **Cash flows from investing activities** | | | |
| Proceeds from disposal of discontinued operations | 5 | **731** | – |
| Acquisition of a subsidiary, net of cash acquired | 6 | **607** | – |
| Acquisition of property, plant and equipment | 15 | **(52)** | (31) |
| Disposal of property, plant and equipment | | **–** | 84 |
| **Net cash inflow from investing activities** | | **1,286** | 53 |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of share capital | | **–** | 1,657 |
| Proceeds from new loan | | **–** | 625 |
| Repayment of borrowings | | **–** | (260) |
| Interest received | 12 | **26** | 26 |
| Interest paid | 12 | **(1)** | (771) |
| **Net cash inflow from financing activities** | | **25** | 1,277 |
| Net (decrease) in net cash and cash equivalents | | **(1,236)** | (450) |
| Net cash and cash equivalents at 1 January | | **4,057** | 4,472 |
| Effect of foreign exchange rate fluctuations on cash held | | **114** | 35 |
| **Net cash and cash equivalents at 31 December** | 20 | **2,935** | 4,057 |

The notes on pages 29 to 63 form an integral part of these consolidated financial statements.

# Notes
(forming part of the financial statements)

## 1. Accounting policies

redT 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 2015 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 26 April 2016.

### *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 most significant techniques for estimation are described in the accounting policies below and Notes 6 and 7.

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 Financial review. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 22 and 23 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 and suppliers. 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. Revenue recognition*

### US business

*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 register and issue 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 that will be received, or if the credits are not sold, the prevailing market rate.

### Africa Clean Energy business

*Revenue recognition on investment advisory services*

The investment advisory business derives revenue from the two mandates which it is currently acting as investment advisers; joint advisor to Green Africa Power LLP ("GAP") and lead advisor to the Renewable Energy Performance Platform ("REPP"). Revenue is recognised monthly based upon pre-agreed contractual monthly management fees.

*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 ownership interest is held.

### redT Energy Storage business

*Revenue recognition on contract project work*

Revenue is recognised in the income statement in proportion to the stage of completion of the contracted project work. The stage of completion is assessed by reference to the overall contract value, with revenue invoiced monthly accordingly.

*Revenue recognition on energy storage system sales*

Revenue from system sales is recognised when the system has been delivered, installed, and fully commissioned (system fully operating). Only once successfully commissioned can revenue be recognised in line with standard sale of goods recognition criteria. Where the customer has been billed in advance, revenue will be deferred and recognised as Deferred Income on the balance sheet until such time as the system has been fully commissioned.

### Group (Other)

*Revenue recognition on CDM carbon and EU ETS compliance services*

The Group derives revenue 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. The Group is acting as principle in both separate transactions, the purchase and sale of emission allowances and offsets, with revenue and cost booked simultaneously as per the transaction date.

### *D. 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 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.

## E. *Intangible assets*

Intangible assets recognised within the balance sheet relate exclusively to 'In-process research and development (IPR&D)' as part of the acquisition of the REDH business (September 2015). The IPR&D related to expenditure incurred within two main categories; Technical Expertise (Personnel Costs) & Other Administration Expenses, incurred by the REDH business since 2010 until the date of acquisition. At date of acquisition, IPR&D was capitalised as an intangible asset.

Amortisation of the intangible assets will begin once the redT energy storage system becomes fully commercialised – for the year ended 31 December 2015 this criteria had not been fully achieved. A review will be undertaken in 2016 to confirm the amortisation status of the intangible asset, as well as to determine the effective useful life.

## F. *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.

**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 assets (3 to 25 years).

## G. *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.

### *H. 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.

### *I. 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 0.7375 (2014: 0.7816), USD 1.0931 (2014: 1.2165), CNY 7.0973 (2014: 7.5439), KES 111.8906 (2014: 110.2329), TZS 2357.3786 (2014: 2121.3407), ZAR 16.9982 (2014: 14.0701)

## J. *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.

## K. *Employee benefits*

### *Employee share schemes*

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

## L. *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.

## Notes (continued)

### M. *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.

### N. *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.

### O. *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.

### P. *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.

### *Q. Non-derivative financial assets*

The Group has the following non-derivative financial assets: cash and cash equivalents, trade and other receivables, loan note receivable and assets held for sale. Such financial assets are recognised initially at fair value, and subsequently assessed for impairment at the end of each financial period.

### *R. 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.

### *S. New accounting standards and interpretations*

#### *Newly issued standards adopted in these financial statements*

In these financial statements no newly issued standards have been adopted by the Group as none of the standards required to be adopted in the period are relevant to the Group with the exception of the following:

- Annual Improvements to IFRSs – 2010-2012 Cycle (EU effective date 1 February 2015)

#### *Adopted IFRS not yet applied*

Certain IFRSs have been issued but have not been applied by the Group in these financial statements as their effective date has not yet been reached. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated with the exception of the following:

- IFRS 9 'Financial Instruments' (not yet effective)
- Annual Improvements to IFRS 2012-2014 Cycle (endorsed 15 December 2015)
- IFRS 15 'Revenue from Contracts with customers' (not yet effective)

## 2. Segmental reporting

### *Operating segments*

The Group reports these results in line with the following main reporting segments:

1. **US:** The US is comprised of the company's management and development of its biogas projects, and revenues generated through the management and sale of the Californian Carbon Offsets (CCOs). During the year US disposed of its biogas projects – Jerome and Twin Falls facilities – which have been included as gain from discontinued operation within the operating segment.

2. **Africa Clean Energy:** The Africa business segment provides investment advisory services to Green Africa Power LLP (GAP) through our partner EISER Infrastructure Partners LLP, and was also able to add the management of an additional mandate, the Renewable Energy Performance Platform (REPP). The business also provided consulting services and the development of clean energy projects across Africa from offices located within the continent. As at year end, the Group classified its Kenya and Tanzania consulting operations as Assets Held for Sale, with the associate financial results recorded within the segment as loss from discontinued operation.

3. **redT:** redT develops and supplies durable and robust energy storage systems based on proprietary vanadium redox flow technology for on and off-grid applications. The business was held as an investment in prior years, but became a full subsidiary of the Group during the year following a share issue acquisition. The redT segment for the year comprises the post-acquisition financials (October to December) for the business.

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 USA.

**Operating segments**

| | US | | Africa | | redT | | Group (Other) | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2015 €'000** | 2014 €'000 | **2015 €'000** | 2014 €'000 | **2015 €'000** | 2014 €'000 | **2015 €'000** | 2014 €'000 | **2015 €'000** | 2014 €'000 |
| **Segment revenue** | **4,812** | 1,979 | **1,198** | 779 | **21** | – | **5,075** | 2,811 | **11,106** | 5,569 |
| Segment gross margin | **3,315** | 713 | **1,089** | 584 | **(71)** | – | **506** | 1,078 | **4,839** | 2,375 |
| Other income – gain on disposal | **–** | 84 | **–** | – | **–** | – | **–** | – | **–** | 84 |
| Segment administrative expenses | **(1,879)** | (1,500) | **(959)** | (710) | **(450)** | – | **(3,035)** | (2,832) | **(6,323)** | (5,042) |
| **Segment result** | **1,436** | (703) | **130** | (126) | **(521)** | – | **(2,529)** | (1,754) | **(1,484)** | (2,583) |
| Share-based payments | | | | | | | | | **(17)** | (110) |
| Impairment of receivables | | | | | | | | | **–** | – |
| **Results from operating activities** | | | | | | | | | **(1,501)** | (2,693) |
| Finance income | | | | | | | | | **26** | 26 |
| Finance expense | | | | | | | | | **(1)** | (4) |
| Foreign exchange movement | | | | | | | | | **165** | 212 |
| Share of loss of equity accounted investees | | | | | | | | | **(1,417)** | (126) |
| Gain on original investment | | | | | | | | | **2,016** | – |
| Taxation | | | | | | | | | **12** | 70 |
| Gain/(loss) from discontinued operation | **1,671** | 274 | **(301)** | 58 | **–** | – | **–** | – | **1,370** | 332 |
| **Profit/(loss) for the year** | | | | | | | | | **670** | (2,183) |
| Segment assets | **5,095** | 18,643 | **57** | 2,467 | **14,234** | – | **2,630** | 3,156 | **22,016** | 24,266 |
| Other investments | **–** | – | **–** | – | **–** | – | **–** | 2,533 | **–** | 2,533 |
| **Total assets** | **5,095** | 18,643 | **57** | 2,467 | **14,234** | – | **2,630** | 5,689 | **22,016** | 26,799 |
| Segment liabilities | **(691)** | (17,358) | **(134)** | (599) | **(3,194)** | – | **(2,311)** | (2,679) | **(6,330)** | (20,636) |
| **Total liabilities** | **(691)** | (17,358) | **(134)** | (599) | **(3,194)** | – | **(2,311)** | (2,679) | **(6,330)** | (20,636) |
| Capital expenditure | **–** | 16 | **–** | 15 | **48** | – | **–** | – | **48** | 31 |
| Depreciation | **–** | – | **2** | 15 | **23** | – | **9** | 39 | **34** | 54 |

2014 results are restated to show the effect of operations which have been discontinued in the current period (see Note 5).

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 and domicile of Group entity that generates the revenue:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| EMEA | **6,282** | 2,816 |
| USA | **4,812** | 1,979 |
| ASIA | **12** | 774 |
| **Total revenue** | **11,106** | 5,569 |

**Non-current assets by geographical region:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| EMEA | **15,222** | 2,681 |
| USA | **–** | 16,574 |
| ASIA | **–** | – |
| **Non-current assets** | **15,222** | 19,255 |

## 3. Revenue

**By reporting segments:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| US | **4,812** | 1,979 |
| Africa | **1,198** | 779 |
| redT | **21** | – |
| Group (Other) | **5,075** | 2,811 |
| **Total revenue** | **11,106** | 5,569 |

## 4. Other income

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Net gain on disposal of fixed asset | **–** | 84 |
| **Total other income** | **–** | 84 |

## 5. Assets held for sale and discontinued operations

### *Summary results of discontinued operations – Group*

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| US biogas income statement | **(371)** | 274 |
| US biogas net gain from disposal | **2,042** | – |
| Kenya income statement net of FV loss on assets | **(160)** | 48 |
| Tanzania income statement net of FV loss on assets | **(141)** | 10 |
| **Profit for the year** | **1,370** | 332 |

# Notes (continued)

## *Discontinued operations*

The Group sold its US biogas business on 23 December 2015 following previous announcements that the Board was exploring strategic alternatives to realise additional value from its US business activities. Due to the timing of the transaction, there was no requirement to classify the related assets and liabilities as held for sale. The US biogas business was sold for €4.1m, with €1.7m received in cash immediately and the remaining €2.4m being received in full post 31 December 2015. Outstanding loans and borrowings were transferred to the buyer as part of the sale (loans were secured against the related US biogas facilities). Tax on disposal was €0.1m. The Group incurred disposal costs of €0.3m in relation to advisor and legal fees. These costs have been included in administration expenses in the statement of comprehensive income.

**Results of the discontinued operation – US biogas:**

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Revenue | **4,008** | 3,339 |
| Expenses | **(4,379)** | (3,065) |
| Tax on profit | **–** | – |
| **(Loss)/profit for the year** | **(371)** | 274 |

**Cash flows from/(used in) discontinued operation – US biogas:**

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Net cash used in operating activities | **1,887** | 2,348 |
| Net cash used in investing activities | **–** | – |
| Net cash from financing activities | **(918)** | (767) |
| **Net cash from discontinued operations** | **969** | 1,581 |

**Effect of the disposals on individual assets and liabilities – US biogas:**

| | **2015 €'000** |
|---|---|
| Property, plant and equipment | **17,288** |
| Prepayments and accrued income | **1,122** |
| Trade and other receivables | **631** |
| Cash and cash equivalents | **945** |
| Current tax liability | **–** |
| Trade and other payables | **(210)** |
| Loans and borrowings | **(13,113)** |
| Deferred income | **(4,731)** |
| Net identifiable assets and liabilities | **1,932** |
| Consideration received (net of tax) | **(3,974)** |
| **Net gain from disposal (discontinued operations)** | **2,042** |

## *Assets held for sale*

As at the 31 December 2015 the Group had entered into two separate Sale and Purchase Agreements (SPA) to sell its Camco Advisory Services (Kenya) Ltd and Camco Advisory Services (Tanzania) Ltd businesses, both of which operated under the Africa Clean Energy reporting segment. The Group strategy for the Africa reporting segment involves the growth of its funds

advisory business. The current Kenya and Tanzania consulting businesses focuses on adaption and land use policy consulting and is therefore non-core to the business strategy.

Given the limited asset value, recent trading history, and the geographical challenges of both businesses, management has agreed to the sale of both entities to existing entity Directors, which allows the Group to exit both businesses efficiently and effectively. The SPA's record the consideration amounts for each entity to be – Kenya $1 / Tanzania TZS 100,000,000 (€40,000). Although set at an initial consideration of TZS 100,000,000 for the Tanzania entity, this is in order to comply with local law, and it is the consensus and agreement of all parties that only the equivalent of $1 will be settled. The SPA's are subject to the completion and filing of the 2015 Audited Financial Statements for the local entities, and the local revenue authorities sanctioning the share transfers.

In view of the market value that can be attributed to be entities, and using this as the recognised basis for measurement of the carrying value of the assets and liabilities, a fair value write down of the assets was recorded at 31 December 2015, with both entities holding an assets held for sale at a nominal value of $1.

**Results of the discontinued operation – Kenya:**

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Revenue | **804** | 473 |
| Expenses | **(934)** | (479) |
| Tax on profit | **–** | 54 |
| (Loss) recognised on FV of assets | **(30)** | – |
| **(Loss)/profit for the year** | **(160)** | 48 |

**Cash flows from/(used in) discontinued operation – Kenya:**

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Net cash used in operating activities | **(37)** | 31 |
| Net cash used in investing activities | **–** | – |
| Net cash from financing activities | **–** | – |
| **Net cash (used in)/from discontinued operations** | **(37)** | 31 |

**Assets/liabilities classified as held for sale – Kenya:**

| | **2015 €'000** |
|---|---|
| Property, plant and equipment | **11** |
| Prepayments and accrued income | **103** |
| Trade and other receivables | **21** |
| Cash and cash equivalents | **51** |
| Current tax liability | **(62)** |
| Trade and other payables | **(85)** |
| Loans and borrowings | **–** |
| Deferred income | **(9)** |
| Net identifiable assets and liabilities | **30** |
| (Loss) recognised on FV of assets | **(30)** |
| **Carrying value of assets** | **–** |

# Notes (continued)

**Results of the discontinued operation – Tanzania:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Revenue | **16** | 323 |
| Expenses | **(132)** | (313) |
| Tax on profit | **–** | – |
| (Loss) recognised on FV of assets | **(25)** | – |
| **(Loss)/profit for the year** | **(141)** | 10 |

**Cash flows (used in)/from discontinued operation – Tanzania:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Net cash used in operating activities | **(113)** | 18 |
| Net cash used in investing activities | **–** | – |
| Net cash from financing activities | **–** | – |
| **Net cash (used in)/from discontinued operations** | **(113)** | 18 |

**Assets/liabilities classified as held for sale – Tanzania:**

| | 2015<br>€'000 |
|---|---|
| Property, plant and equipment | **–** |
| Prepayments and accrued income | **85** |
| Trade and other receivables | **107** |
| Cash and cash equivalents | **5** |
| Current tax liability | **(82)** |
| Trade and other payables | **(85)** |
| Loans and borrowings | **–** |
| Deferred income | **(5)** |
| Net identifiable assets and liabilities | **25** |
| (Loss) recognised on FV of assets | **(25)** |
| **Carrying value of assets** | **–** |

## 6. Acquisitions of business

*Acquisitions in the current period*

redT energy has developed a new and proprietary energy storage technology which enables the efficient and sustainable storage of electrical energy in liquid form. The redT system has applications in remote power, smart grids, power quality, and all aspects of renewable energy management. Following completion of the step acquisition, the redT Energy Storage business became the primary focus for the Group, and as a direct result, facilitated in the change of name of the Group Company from Camco Clean Energy to redT energy.

On 30 September 2015 the Group acquired (through what is known as a "Step-acquisition" process) an additional shareholding in Renewable Energy Dynamics Holdings Limited (REDH – holding company for the redT Energy Storage business), resulting in the Group having effective voting control over 100% of the shares in REDH and an economic interest of 90%. As recorded in the previous financial statements, the Group previously held REDH as an investment with a 53.8%

holding (49.8% on a fully diluted basis). The consideration for the controlling shareholding was the issue of 125,681,940 new redT energy plc ("redT") ordinary shares of €0.01 each, at a consideration price of €0.06398 (share price at date of acquisition), equating to a total value of shares of €8,041,131.

redT energy undertook to acquire the remaining economic interest in REDH, resulting in a further three separate transactions prior to year-end, acquiring an additional 9.7% stake holding for the consideration of 31,016,174 new redT ordinary shares of €0.01 each. At 31 December 2015 redT held an economic interest of 99.7% in REDH and continues to have effective voting control over 100% of the shares.

In the three months to 31 December 2015 the REDH business contributed €21,000* to Group revenue for the year, and a net loss of €580,000 to Group profit for the year. If the acquisition had occurred on 1 January 2015, revenue would have been €1,289,000* and net loss would have been €3,214,000. The Group incurred acquisition costs of €150,000 in relation to legal fees and stamp duty. These costs have been included in administrative expenses in the statement of comprehensive income.

* Revenue for 2015 relates to the recognition of funding received from the Department of Energy and Climate Change (DECC) in relation to the ongoing development of the market seeding unit, which upon completion of the full commercialisation of the system, will be installed on the island of Gigha, Scotland.

### *Effect of acquisition*

The acquisition had the following effect on the Group's assets and liabilities

**Fair value of acquiree's net assets at acquisition date:**

| | 2015<br>€'000 |
|---|---|
| Property, plant and equipment | **58** |
| Intangible assets | **6,822** |
| Prepayments and accrued income | **14** |
| Trade and other receivables | **148** |
| Cash and cash equivalents | **607** |
| Trade and other payables | **(3,482)** |
| Deferred income | **(424)** |
| **Fair value of net identifiable assets and liabilities** | **3,743** |
| Consideration in shares | **8,041** |
| Non-controlling interest | **374** |
| Revised FV of initial investment | **3,495** |
| **Total consideration** | **11,910** |
| **Goodwill on acquisition** | **8,167** |

The fair value is equal to book value of net identified assets and liabilities above with the exception of intangible assets where €3.3m of fair value was generated upon acquisition.

### *Settlement of pre-existing relationship*

As part of the business acquisition, the original investment held by the Group in REDH was required to be treated as a disposal at fair value, thus (in accordance with IFRS 3 – Business Combinations) creating a gain to the income statement. The total original carrying value held on the balance sheet as at date of acquisition was €1,479,000 (original REDH investment €1,188,000, REDH loan

notes owed to Group €291,000). The fair value of the previously held interest was determined using the income approach method (in conjunction with IFRS 13 – Fair Value Measurement), utilising a Discounted Cash Flow based upon REDH pre-acquisition. The Discounted Cash Flow produced an apportioned revised fair value of initial investment of €3,495,000, resulting in a gain to the income statement of €2,016,000.

In establishing the fair value of the previously held interest, a number of estimates and underlying assumptions were applied; Sales projections for the redT energy storage system based upon Board approved plans for the next 5 years, prepared in conjunction with projected market sector size; Discount factor in excess of 50% taking into account the risks associated with the REDH business pre-roll in to the wider Group, and with a starting base of a comparable discount factor for a similar new technology start-up entering early commercialisation stage; Terminal value growth rate of 5%, set taking into account market considerations.

**Gain on initial investment:**

| | **2015 €'000** |
|---|---|
| Revised fair value of initial investment | **3,495** |
| Carrying value of initial investment | **(1,479)** |
| **Gain on initial investment** | **2,016** |

## 7. Intangible fixed assets

### *Goodwill – Subsidiary acquisition (REDH)*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Cost at 1 January** | **–** | – |
| Acquisitions | **8,167** | – |
| **Cost at 31 December** | **8,167** | – |

### *Intangible assets – In-process R&D (REDH)*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Cost at 1 January** | **–** | – |
| Acquisitions | **6,822** | – |
| **Cost at 31 December** | **6,822** | – |

### *Total Goodwill & Intangible Assets*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Cost at 1 January** | **–** | – |
| Acquisitions | **14,989** | – |
| **Cost at 31 December** | **14,989** | – |

### *Amortisation*

Amortisation of the intangible asset (excluding goodwill) will begin once the redT energy storage system becomes fully commercialised – for the year ended 31 December 2015 this criteria had not been fully achieved. A review will be undertaken in 2016 to confirm the amortisation status of the intangible asset, as well as to determine the effective useful life.

Goodwill is not amortised, but tested annually for impairment.

### *Impairment testing*

Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to the REDH cash generating units. The Group conducted a formal review to determine whether the carrying value of intangible assets, including goodwill, can be supported. The impairment review comprises a comparison of the carrying amount of the intangible assets with the Net Present Value of future discounted cash flows, for which the recoverable amount exceeds its carrying amount by €1.8m.

The Group prepared cash flow forecasts derived from the most recent financial results and 5 year budget projection approved by management and the board, which on a discounted cash flow basis, is greater than the carrying value of the intangible assets held. The key assumptions for the Net Present Value calculation were; pre-tax discount rate 40% and growth rate beyond forecast period 5%. A reduction in the growth rate beyond forecast period to from 5% to 3% would reduce the excess of the recoverable amount over the carrying amount from €1.8m to €1.1m.

## 8. Expenses and auditor's remuneration

Included in comprehensive income are the following:

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Depreciation of property, plant and equipment – owned assets | **34** | 54 |
| Operating lease rental – land and buildings | **264** | 215 |
| Share-based payments | **17** | 110 |

### ***Services provided by the Group's auditor:***

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

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Audit of these financial statements | **108** | 89 |
| Amounts receivable by auditors and their associates in respect of: | | |
| Audit of financial statements of subsidiaries pursuant to legislation | **19** | 16 |
| **Total services** | **127** | 105 |

Non-audit services – €65k was paid to Ewing Bemiss & Co. for the provision of transaction advisory services, Ewing Bemiss was subsequently acquired by KPMG, and a further €9k was billed relating to these services post-acquisition.

# Notes (continued)

## 9. 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 | |
|---|---|---|
| | **2015** | 2014 |
| US | **7** | 8 |
| Africa | **30** | 42 |
| Group (Other) | **15** | 15 |
| | **52** | 65 |

The aggregate payroll costs of continuing operations were as follows:

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Wages and salaries | **3,533** | 3,261 |
| Share-based payments (see Note 10) | **17** | 110 |
| Social security costs | **266** | 258 |
| | **3,816** | 3,629 |

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

## 10. Share-based payments

The Group operated share-based incentive plans called the Long-Term Incentive Plan (the "LTIP"), the Camco 2006 Executive Share Plan, and the 2015 redT Employee Share Plan. The expense recognised in respect to the plans is set out below.

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| 2015 redT Employee Share Plan | **17** | – |
| Camco 2006 Executive Share Plan | **–** | 110 |
| | **17** | 110 |

### *Long-Term Incentive Plan*

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 were 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. Whilst in employment there is no defined time-lapse period, however post employment termination there is a 12 month exercise period.

### *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 issued under the Plan vested at different levels depending on the Company's share price performance, subject to the non-market performance conditions being met. The options vested in three 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 vested only if all the non-market performance conditions were met. The non-market performance conditions were based on specific and measurable operational targets set by the Board. The employee or Director was required to remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

The Plan options were valued by multiplying the market price of the Company's ordinary shares at date of grant with a number of weighting factors that reflected the expected outcome given the criteria set out in the performance conditions. The market-based performance condition used the Company's historic share price data to predict the most likely future percentage rank. The market-based performance condition was not updated at each valuation date. The non-market based performance conditions were not included in the valuation of the awards.

No further awards were made during the year, with the number of exercisable awards held set out below. Whilst in employment awards have a time-lapse period of 10 years from the date of grant (30 July 2023), and a period of 12 months post employment termination, exercisable at €0.01 per share.

| | **2015 Number of options** | 2014 Number of options |
|---|---|---|
| Exercisable at the beginning of the year | **16,650,172** | 16,650,172 |
| Exercised during the year | **(7,000,000)** | – |
| Exercisable at the end of the year | **9,650,172** | 16,650,172 |

### *2015 redT Employee Share Plan (the "Plan")*

On 7 December 2015 the company awarded to a number of employees (no Directors) the option to acquire an allotted amount of ordinary shares of up to €0.01 each in the capital of the company at an Exercise Price of 5.6p/€0.07786 per share (11,535,321 shares) and an Exercise Price of €0.01179 (13,898,307 shares). During the year 6,949,153 of the allotted shares exercisable at 5.6p/€0.07786 were forfeited.

**Exercise criteria:** 25% of options will vest after the expiry of 2 years from date of grant, a further 25% of options will vest after the expiry of 3 years from date of grant, a further 25% of options will vest after the expiry of 4 years from date of grant (in all cases rounded down where necessary) and the remainder will vest after the expiry of 5 years from date of grant. The option period will survive after the vesting conditions are satisfied for up to 36 months if the Company remains quoted.

# Notes (continued)

The Plan options are valued by multiplying the market price of the Company's ordinary shares at date of grant (8.38p/€0.1165) less the exercise price.

| | **2015 Number of options** | 2014 Number of options |
|---|---|---|
| Outstanding at the beginning of the year | **–** | – |
| Granted during the year | **25,433,628** | – |
| Forfeited during the year | **(6,949,153)** | – |
| Vested during the year | **–** | – |
| Outstanding at the end of the year | **18,484,475** | – |
| Exercisable at the end of the year | **–** | – |

## 11. 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 €6,000 (2014: €Nil), which represents the contributions paid to the plan. There were no outstanding payments due to the plan at the balance sheet date.

## 12. Net finance income

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Finance income** | | |
| Interest on bank deposits | **26** | 24 |
| Unwinding of discount on accrued revenue | **–** | 2 |
| | **26** | 26 |
| **Finance expense** | | |
| Other interest | **(1)** | (4) |
| | **(1)** | (4) |
| Foreign exchange movements | **165** | 212 |
| **Net finance income** | **190** | 234 |

## 13. Taxation

**Recognised in the income statement**

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| **Current tax (credit)/expense:** | | |
| Foreign tax | **4** | (1) |
| Adjustments recognised in the current year in relation to the current tax of prior years | **–** | 6 |
| | **4** | 5 |
| **Deferred tax expense:** | | |
| Movement in deferred tax asset in current year | **(16)** | (75) |
| **Total income tax in the income statement** | **(12)** | (70) |

The tax charge for the period is lower (2014: lower) than the 0% rate of corporation tax in Jersey and the differences are explained below:

### *Reconciliation of effective tax rate*

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| **Loss before tax** | **(712)** | (2,585) |
| Loss before tax multiplied by 0% rate of corporation tax in Jersey (2014: 0%) | **–** | – |
| Effects of: | | |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | **(633)** | (78) |
| Non-deductible expenses | **(90)** | 32 |
| Change in temporary timing differences | **(21)** | (83) |
| Unutilised losses carried forward | **732** | 53 |
| Adjustments recognised in the current year in relation to prior years | **–** | 6 |
| **Total income tax (credit) in the income statement** | **(12)** | (70) |

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 2015, the Group had UK tax losses carried forward within certain UK subsidiaries for utilisation in future periods for continuing operations amounting to €3,859,000 (2014: €1,561,000). 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.

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:

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| **Deferred tax asset at 1 January** | **109** | 32 |
| Foreign exchange movement | **7** | 2 |
| Current year credit | **16** | 75 |
| **Deferred tax asset 31 December** | **132** | 109 |

**Deferred tax asset comprises of:**

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Share options | **119** | 92 |
| Accelerated Capital Allowances | **13** | 17 |
| **Net Deferred tax asset 31 December** | **132** | 109 |

## 14. Profit/(loss) per share

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

| | 2015<br>€ cents<br>per share | 2014<br>€ cents<br>per share |
|---|---|---|
| **Basic profit/(loss) per share** | | |
| From continuing operations | **(0.24)** | (1.12) |
| From continuing and discontinued operations | **0.23** | (0.97) |
| **Diluted profit/(loss) per share** | | |
| From continuing operations | **(0.24)** | (1.12) |
| From continuing and discontinued operations | **0.22** | (0.97) |
| **Profit/(loss) used in calculation of basic and diluted loss per share** | **€'000** | €'000 |
| From continuing operations | **(700)** | (2,515) |
| From continuing and discontinued operations | **670** | (2,183) |
| **Weighted average number of shares used in calculation** | | |
| Basic | **287,839,087** | 224,996,447 |
| Diluted | **300,195,730** | 242,396,619 |

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares.

Where the inclusion of potentially issuable shares decreases the loss per share (anti-dilutive), the potentially issuable shares have not been included. This was the situation for the 2014 calculations, and the continuing operations calculations for 2015, with only continuing and discontinued operations showing a true diluted € cents per share.

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

| | **2015 Number** | 2014 Number |
|---|---|---|
| **Number in issue at 1 January** | **246,135,113** | 208,127,166 |
| Effect of share options exercised | **6,309,589** | – |
| Effect of shares issued in the year | **35,394,385** | 16,869,281 |
| **Weighted average number of basic shares at 31 December** | **287,839,087** | 224,996,447 |
| Effect of share options granted not yet exercised | **12,356,643** | 17,400,172 |
| **Weighted average number of diluted shares at 31 December** | **300,195,730** | 242,396,619 |

## 15. Property, plant and equipment

### *Computer and office equipment*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Cost at 1 January** | **364** | 351 |
| Additions | **34** | 15 |
| Disposals | **(88)** | (21) |
| Acquired through business combination | **27** | – |
| Effect of movements in foreign exchange | **(3)** | 19 |
| **Cost at 31 December** | **334** | 364 |
| **Accumulated depreciation at 1 January** | **(325)** | (276) |
| Charge for the year | **(24)** | (54) |
| Charge for the year – discontinued operations | **(7)** | – |
| Disposals | **73** | 21 |
| Effect of movements in foreign exchange | **1** | (16) |
| **Accumulated depreciation at 31 December** | **(282)** | (325) |
| **Net book value at 1 January** | **39** | 75 |
| **Net book value at 31 December** | **52** | 39 |

# Notes (continued)

### *Leasehold improvements*

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| **Cost at 1 January** | **–** | – |
| Additions | **18** | – |
| Acquired through business combination | **39** | – |
| Effect of movements in foreign exchange | **2** | – |
| **Cost at 31 December** | **59** | – |
| **Accumulated depreciation at 1 January** | **–** | – |
| Charge for the year | **(10)** | – |
| **Accumulated depreciation at 31 December** | **(10)** | – |
| **Net book value at 1 January** | **–** | – |
| **Net book value at 31 December** | **49** | – |

### *Project plant and equipment*

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| **Cost at 1 January** | **18,910** | 16,608 |
| Additions | **–** | 16 |
| Disposals | **(21,077)** | – |
| Effect of movements in foreign exchange | **2,167** | 2,286 |
| **Cost at 31 December** | **–** | 18,910 |
| **Accumulated depreciation at 1 January** | **(2,336)** | (1,102) |
| Charge for the year | **–** | – |
| Charge for the year – discontinued operations | **(1,124)** | (1,009) |
| Disposals | **3,734** | – |
| Effect of movements in foreign exchange | **(274)** | (225) |
| **Accumulated depreciation at 31 December** | **–** | (2,336) |
| **Net book value at 1 January** | **16,574** | 15,506 |
| **Net book value at 31 December** | **–** | 16,574 |

### *Total property, plant and equipment*

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| **Cost at 1 January** | **19,274** | 16,959 |
| Additions | **52** | 31 |
| Disposals | **(21,165)** | (21) |
| Acquired through business combinations | **66** | – |
| Effect of movements in foreign exchange | **2,166** | 2,305 |
| **Cost at 31 December** | **393** | 19,274 |
| | | |
| **Accumulated depreciation and impairment losses at 1 January** | **(2,661)** | (1,378) |
| Charge for the year | **(34)** | (54) |
| Charge for the year – discontinued operations | **(1,131)** | (1,009) |
| Disposals | **3,807** | 21 |
| Effect of movements in foreign exchange | **(273)** | (241) |
| **Accumulated depreciation and impairment losses at 31 December** | **(292)** | (2,661) |
| **Net book value at 1 January** | **16,613** | 15,581 |
| **Net book value at 31 December** | **101** | 16,613 |

## 16. Investments in Associates and Joint Ventures

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

| | **AG Power LLC** | **REDH** | **Total** |
|---|---|---|---|
| | **€'000** | **€'000** | **€'000** |
| Balance at 1 January 2015 | – | 2,533 | 2,533 |
| Share of loss | – | (1,417) | (1,417) |
| Disposal of original investment | – | (1,188) | (1,188) |
| Foreign exchange movement | – | 72 | 72 |
| **Balance as 31 December 2015** | **–** | **–** | **–** |

AG Power LLC was dissolved in December 2015 with zero impact to the Group. The Group previously made no provisions in respect of AG Power LLC as there was no constructive or legal obligation for the Group to settle any future liabilities on its behalf. Hence the investment was not recognised in these financial statements.

During the year the Group reached agreement to acquire REDH shares that it didn't already own or control. Following the transaction on 29 September 2015, the Group had effective voting control over 100% of the shares in REDH and an economic interest of 90.0% in REDH. The share acquisition resulted in a gain on original investment of €2.0m being recorded in the Income Statement. Further share acquisitions increased the economic interest held by the Group to 99.7% by 31 December 2015 (Note 6).

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

| **2015** | **Investment** | **Holding** | **Total assets €'000** | **Total liabilities €'000** | **Net assets €'000** | **Revenue €'000** | **Expenses €'000** | **Profit/ (loss) €'000** |
|---|---|---|---|---|---|---|---|---|
| | | | | **NIL** | | | | |

| 2014 | Investment | Holding | Total assets | Total liabilities | Net assets | Revenue | Expenses | Profit/ (loss) |
|---|---|---|---|---|---|---|---|---|
| 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) |

* On a fully diluted basis redT energy held a 49.8% interest in REDH

## 17. Prepayments and accrued income

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Prepayments | **247** | 466 |
| Accrued income – CDC accruals | **100** | 133 |
| Accrued income – US | **–** | 942 |
| Accrued income – Africa | **34** | 355 |
| | **381** | 1,896 |

## 18. Trade and other receivables

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Trade receivables | **820** | 968 |
| Other receivables | **238** | 623 |
| | **1,058** | 1,591 |

## 19. Other financial assets

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Loan note receivable | **2,420** | – |
| | **2,420** | – |

The Group sold its US biogas business on 23 December 2015 for €4.1m, with €1.7m received in cash immediately and the remaining €2.4m being received as a loan note which was paid in full post year end (29 January 2016).

## 20. Cash and cash equivalents

| | **2015**<br>**€'000** | 2014<br>€'000 |
|---|---|---|
| Cash on deposit | **2,935** | 3,290 |
| Cash held for restricted use* | **–** | 767 |
| **Cash and cash equivalents in the cash flow statement** | **2,935** | 4,057 |

* Included within cash and cash equivalents is a debt reserve balance of €Nil (2014: €767,000) in relation to the Jerome Facility (US).

## 21. Trade and other payables

| | **2015**<br>**€'000** | 2014<br>€'000 |
|---|---|---|
| Trade payables and non CDC accruals | **4,993** | 3,112 |
| Other accruals – CDC accruals | **529** | 599 |
| | **5,522** | 3,711 |

## 22. 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 actively manages this risk by locking in a buy/sell price for all transactions.

**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 23.

**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 23.

**Foreign exchange risk** The Group is exposed to foreign exchange translation risk on receivables, payables and cash when balances held are denominated in a currency other than the functional currency of the Group which is the Euro. The Group operates a policy of not speculating on foreign exchange and aims to mitigate its overall foreign exchange risk by holding currency in line with regional operating expense, acting as a natural hedge against adverse foreign exchange movement.

# Notes (continued)

The currency exposure on balances held is set out below:

| **31 December 2015** | **Euro €'000** | **Sterling €'000** | **US Dollar €'000** | **Chinese Yuan €'000** | **South African ZAR €'000** | **Other €'000** | **Total €'000** |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | **116** | **153** | **2,228** | **434** | **4** | **–** | **2,935** |
| Trade and other receivables | **6** | **387** | **651** | **–** | **14** | **–** | **1,058** |
| Other financial assets | **–** | **–** | **2,420** | **–** | **–** | **–** | **2,420** |
| Secured bank loans | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Trade and other payables | **(1,722)** | **(2,783)** | **(579)** | **(319)** | **(119)** | **–** | **(5,522)** |
| **Net exposure** | **(1,600)** | **(2,243)** | **4,720** | **115** | **(101)** | **–** | **891** |

| 31 December 2014 | Euro €'000 | Sterling €'000 | US Dollar €'000 | Chinese Yuan €'000 | South African ZAR €'000 | Other €'000 | Total €'000 |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 150 | 662 | 2,271 | 799 | 6 | 169 | 4,057 |
| Trade and other receivables | 681 | 203 | 526 | 1 | 38 | 142 | 1,591 |
| Other financial assets | – | – | – | – | – | – | – |
| Secured bank loans | – | – | (12,131) | – | – | – | (12,131) |
| Trade and other payables | (1,670) | (508) | (667) | (466) | (128) | (272) | (3,711) |
| Net exposure | (839) | 357 | (10,001) | 334 | (84) | 39 | (10,194) |

A 5% weakening of the following currencies against the Euro at 31 December 2015 would have increased/(decreased) equity and profit and loss, via exchange differences on translation of foreign operations within the Income Statement, by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 31 December 2014.

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Sterling | **106** | (17) |
| US Dollar | **(225)** | 476 |
| Chinese Yuan | **(5)** | (16) |
| South African ZAR | **5** | 4 |
| | **(119)** | 447 |

A 5% strengthening of the above currencies against the Euro at 31 December 2015 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Interest rate risk** The Group has €Nil (2014: €12.1m) of borrowing.

**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.

## 23. 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:

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Trade and other receivables | **1,058** | 1,591 |
| Other financial assets | **2,420** | – |
| Cash on deposit | **2,935** | 4,057 |
| | **6,413** | 5,648 |

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

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| EMEA | **407** | 1,064 |
| USA | **651** | 527 |
| ASIA | **–** | – |
| | **1,058** | 1,591 |

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

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Current | **805** | 1,036 |
| Past due under 30 days | **232** | 65 |
| Past due between 31 and 120 days | **20** | 199 |
| Past due between 121 and 1 year | **1** | 68 |
| Past due more than 1 year | **–** | 223 |
| | **1,058** | 1,591 |

# Notes (continued)

### *Impairment losses*

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

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| **Balance at 1 January** | **171** | 163 |
| Written off against provision | **(195)** | (60) |
| Increase in provision | **3** | 60 |
| Effects in movement of foreign exchange | **21** | 8 |
| **Balance at 31 December** | **–** | 171 |

### *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 liabilities*

| | **Carrying 2015 €'000** | **Con-tractual 2015 €'000** | **1 year or less 2015 €'000** | **1–2 years 2015 €'000** | **2–3 years 2015 €'000** | **3–4 years 2015 €'000** | **More than 4 years 2015 €'000** |
|---|---|---|---|---|---|---|---|
| **Secured loans** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Non CDC trade and other payables** | **4,993** | **(4,993)** | **(4,993)** | **–** | **–** | **–** | **–** |
| **CDC Accruals** | **529** | **(529)** | **(529)** | **–** | **–** | **–** | **–** |

| | 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) | – | – | – | – |

There are no derivative financial instruments.

## 24. Deferred Income

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| **Non-current liabilities** | | |
| Deferred income – grant | **–** | 4,251 |
| Deferred income – business | **250** | – |
| | **250** | 4,251 |
| **Current liabilities** | | |
| Deferred income – grant | **–** | 313 |
| Deferred income – business | **408** | 44 |
| | **658** | 357 |

Deferred income (grant) was transferred to the buyer as part of the sale and disposal of the US biogas business (government grant provided to the Jerome US biogas facility).

## 25. Loans and borrowings

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

Outstanding loans and borrowings were transferred to the buyer as part of the sale and disposal of the US biogas business (loans were secured against the related US biogas facilities).

## 26. Issued share capital and reserves

| | Number 2015 '000 | 2015 €'000 | Number 2014 '000 | 2014 €'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 | **246,135** | **2,461** | 208,127 | 2,081 |
| Issued in the year | **163,698** | **1,637** | 38,008 | 380 |
| **Issued at 31 December** | **409,833** | **4,098** | 246,135 | 2,461 |

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.

# Notes (continued)

### *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.

### *Other reserve*

Other reserve comprises the portion of the consideration paid for REDH minority interests over the FV of the shares purchased. These minority interests were acquired after the initial share transaction triggered the classification of REDH as a consolidated subsidiary.

### *Minority interest*

Minority interest comprises 0.3% shareholding in REDH that is held outside of the Group (Note 6).

## 27. 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*

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Less than one year | **260** | 264 |
| Between 1 year and 5 years | **279** | 202 |
| | **539** | 466 |

The leases relate to rent for properties and company vehicles within the Group.

## 28. 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*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Administrative expenses: | | |
| Consortia Partnership Limited | **46** | 48 |

### *Balance sheet*

| | **2015 €'000** | 2014 €'000 |
|---|---|---|
| Trade and other payables: | | |
| 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 30.

### *Business disposals*

The Group has two Sale and Purchase Agreements (SPA) in place as at 31 December 2015 (pending completion conditions) to sell its shareholding in the following entities:

- Camco Advisory Services (Kenya) Limited
- Camco Advisory Services (Tanzania) Limited

Both SPA's have been entered into by the Group with a current standing Director of each of the entities.

## 29. 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 2015 | 2014 |
|---|---|---|---|---|
| **Direct subsidiary undertakings** | | | | |
| Camco Services (UK) Limited | England & Wales | Support Services | **100%** | 100% |
| Camco Holdings UK Limited | England & Wales | Holding Company | **100%** | 100% |
| Camco Sales Limited | England & Wales | Carbon Sales | **100%** | 100% |
| Camco Africa Limited | Jersey | Consultancy | **100%** | 100% |
| Camco II Limited | Jersey | Carbon Contractor | **100%** | 100% |
| Camco Voluntary Credits Limited | Jersey | Carbon Contractor | **100%** | 100% |
| Camco (Mauritius) Limited | Mauritius | Holding Company | **100%** | 100% |
| CI Camco (Cyprus) Limited | Cyprus | Consultancy | **100%** | 100% |
| **Indirect subsidiary undertakings** | | | | |
| REDT Energy Limited | England & Wales | Research & Consultancy | **100%** | 100% |
| Re-Fuel Technology Limited | England & Wales | Energy Storage Research & Development | **99%** | 71% |
| Renewable Energy Dynamics Holdings Limited | Ireland | Energy Storage Research & Development | **99%** | 54% |
| Renewable Energy Dynamics Technology Limited | Ireland | Energy Storage Research & Development | **99%** | 54% |
| Renewable Energy Dynamics Technology UK Limited | England & Wales | Energy Storage Research & Development | **99%** | 54% |
| Camco Management Limited | England & Wales | Consultancy | **100%** | N/A |
| Camco Asset Management Company (Proprietary) Limited | Republic of South Africa | Business Services | **100%** | 100% |
| Camco Advisory Services (Kenya) Limited | Kenya | Held For Sale | **100%** | 100% |
| Camco Advisory Services (Tanzania) Limited | Tanzania | Held For Sale | **100%** | 100% |
| Camco Advisory Services West Africa | Togo | Consultancy | **100%** | 100% |
| Camco Advisory Services (Beijing) Limited | China | Research & Consultancy | **100%** | 100% |
| Camco International Carbon Asset Information Consulting (Beijing) Co. Ltd. | The People's Republic of China | Business Services | **100%** | 100% |
| Camco Advisory Services (Hong Kong) Limited | Hong Kong | Holding Company | **5%** | 5% |
| Camco International Group, Inc. | United States of America | Business Services | **100%** | 100% |
| Camco Offsets I LLC | United States of America | Disposed | **–** | 100% |
| AG Power Jerome LLC | United States of America | Disposed | **–** | 100% |
| Ag Power DCD LLC | United States of America | Disposed | **–** | 100% |
| Ag Power Visalia LLC | United States of America | Disposed | **–** | 100% |
| Ag Investors I LLC | United States of America | Disposed | **–** | 100% |

## 30. Directors' share interests

| | Number 2015 | 2014 |
|---|---|---|
| **Executive Directors** | | |
| Scott McGregor | **11,973,126** | 4,973,126 |
| Jonathan Marren | **4,700,000** | 4,521,959 |
| **Non-executive Directors** | | |
| Jeffrey Kenna | **2,165,193** | 2,162,325 |
| Michael Farrow | **86,230** | 86,230 |

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 17 to 20.

## 31. Post balance sheet events

Final payment received in full settlement of the outstanding Loan Note (€2.4m) from the sale and disposal of the US biogas business on 29 January 2016.

redT energy raised £3.5 million (before expenses) through a placing of 51,851,852 Ordinary Shares on 10 February 2016. The number of Ordinary Shares in issue and the total voting rights in the Group following the placing is 461,685,079.

On 15 February 2016 John Ward was appointed as Non-executive Director. John has been an investor in the REDH business since December 2009, and through his private investment vehicle (Alchemy Projects Limited), has a beneficial interest in 97,419,319 Ordinary Shares (21.1% holding).

On 29 February 2016 Jonathan Marren stood down from his role as Chief Financial Officer and re-joined the board as a Non-executive Director (1 March 2016), with Scott Laird taking over as Finance Director (non-Board Director).

Following completion of the above post balance sheet events, as at 31 March 2016 the Group held €7.5m in available cash.