redT energy plc

Annual Report and Financial Statements
Jersey registered 92432
31 December 2016

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Chairman's report

Last year was a turning point in the energy storage industry, as it was the year that the market became real – one that does not require subsidy and is commercially driven. The global market for stationary battery energy storage exceeded $1bn in 2016 and the forecasts of $5bn/yr by 2020 look realistic. Closer to home, in the UK, contracts for over 500MW of energy storage were won under the capacity auction in December 2016. Driven by the growth in cost effective renewable energy, especially solar and wind, which are now one of the cheapest forms of generation, and the move to a decentralised, flexible, smart grid, there is no doubt about the scale of market demand and the availability of viable technologies to meet this demand. Currently, the largest segment is utility-scale storage and the prevailing technology is Lithium-ion batteries. So, where does that leave our disruptive, liquid energy storage machine?

In the past year, we have shown that our production costs, even at low levels, are encouraging. We can match installed costs of competing technologies, particularly where long (more than 3 hours) discharge durations are needed. As we scale up production, our costs will reduce but so will the competition's, so our R&D and Engineering departments remain focussed on the continued development of our technology. We do not have a shortage of potential sales. Our primary challenge will be to deploy our first Generation 2 ("Gen 2") machines into our key target markets, something we have already had some success with in Q1 of this year. Our main advantage is the durability and project life of our machines; Lithium-ion batteries degrade and are forecast to have a 10 year life. By comparison our flow machines have an expected technology life of 25+ years.

Clearly, 2016 was a very important year for the Company with the completion of our Generation 1 ("Gen 1") market seeding phase and the successful independent testing of our larger machines at PNDC. We have commenced building up a track record that supports the core performance of our technology. So, the future is encouraging but we needed the resources to win sales, improve our technology further and drive down costs. It was for this reason that the Board approved a fund raise towards the end of 2016. We achieved our goal of raising nearly £15m and that has now put us in a position where we can recruit the people we need to grow the organisation and convert our large pipeline of interest into sales that will drive shareholder returns.

Over the past few years, our Company has transformed from a carbon credit business to an energy storage company. We could not have achieved this without our dedicated staff who have worked tirelessly on low budgets, which were significantly less than our competitors. This really is a tremendous achievement against all odds and I am extremely proud of our team. Having completed our fund raise we will now strengthen the team further, a process that has already started. I am pleased that David Stewart agreed to join us as Commercial Director in February this year. David came from our production partner, Jabil Circuit Inc, so already understood the technology, its potential and what was required to realise this. As our business has changed, we have also looked to attain the relevant Board experience and was further strengthened throughout the year with the appointment of John Ward and Neil O'Brien. John is a renewable energy sector expert and long term investor in the business who joined the Board in February 2016. Neil, who was formally CEO of Alkane Energy, joined the Board in September 2016, bringing highly relevant experience on delivering containerised power generation to projects in the UK.

Once again, I would like to thank our entire team together with my fellow non-executive directors for the contributions that they have made to the Company and look forward to another successful year in 2017.

Jeffrey Kenna
Chairman
24 April 2017

Chief executive officer's report

Summary

In 2016, we proved our core technology as a manufactured product. We also developed and manufactured our first Generation 2 ("Gen 2") machine, at a market leading price. Further to this, shareholders approved the raise of the required capital to secure the financial future of the business and further strengthen and develop the Company. In short, 2016 must be viewed as a landmark year for the business, and our accomplishments during the year have created a strong foundation from which our business can grow.

redT, during the year, transformed from being a technology development company to delivering a manufactured commodity product, with the launch of our Generation 1 ("Gen 1") market seeding units. Our large 20ft unit also became the first contract manufactured, containerised, large scale vanadium flow machine to be deployed globally. Migrating from prototype to delivered product is a very difficult step for any technology company and clearly an important milestone for the Group. The Company also delivered the first of its Gen 2 units, which represent its low cost commodity product, which were designed and engineered to a target commercial price. In short, 2016 has seen redT continue to successfully navigate the difficult path towards commercialisation.

Energy analysts are unanimous in their large demand forecasts for energy storage. Whilst energy storage technology now exists at a commercial price, the difficulty for technology companies within this space lies in proving the durability of their products and working with customers to assist them in best understanding how to fully utilise this new type of asset. Geographically, the early key demand markets for energy storage are; sub-Saharan Africa, North America, Europe and Australia. The UK has not, to date, been a market which provides sufficient economic return from deployment of energy storage, however surprisingly, this seems to be changing quicker than originally anticipated. We can see a tipping point for the widespread adoption of storage being reached in the short to medium term in the UK and Europe as the demand for storage accelerates and pilot sites become commercially proven.

In my statement last year, I highlighted the market seeding programme and the development of our Gen 2 product as key focus areas, which would be crucial to the further growth of our business. 12 months later, I'm pleased to report that our market seeding programme was completed successfully and our core technology was proven, following testing conducted by Scottish and Southern Energy (SSE) at the Power Networks Demonstration Centre ("PNDC").

These achievements have allowed the Company in 2017 to start planning for volume production and to structure our operations for growth. To do this, extra capital was required to fund the Company's ongoing growth strategy and accelerate the qualification and delivery of redT's initial sales pipeline. As such, I'm pleased to report the successful result of a placing and open offer for nearly £15m, which received shareholder approval in December 2016. This capital has secured the financial future of the business and will be used to develop future generations of our product, whilst building an effective and dynamic organisation, capable of meeting the challenges of bringing a new and disruptive technology to market.

Elements of the Group's residual business interests remain as subsidiary activities of redT energy. The Camco business, comprising the legacy business operations of Africa, US and Carbon, continued to provide a positive contribution to the Group throughout 2016, reporting a profit for the period. As part of the Camco business, in December 2015 we were appointed on a new contract to manage the Renewable Energy Performance Platform ("REPP"), which aims to support African renewable energy projects smaller than 25MW through the provision of advice, technical assistance and access to debt providers. Sub-Saharan Africa remains a key geographical region for redT and the continuing success of Camco within the continent underlines this focus.

Outlook

Our £15m placing in December 2016 brought in a number of new institutional investors alongside our highly knowledgeable core investor base in the process. This allows us to accelerate the delivery of the extensive sales pipeline the Company has built up and to provide working capital for the further development of Generation 3 and 4 energy storage machines. To achieve these objectives, redT needs to grow as an organisation with the necessary resources and skills to prevail in the industry. As such, several key hires were made following the fundraise, including that of David Stewart as Commercial Director. David brings with him a wealth of experience, having led Operations, Implementation, R&D, Sales and Product teams for companies including; Hewlett Packard, Keysight, Viavi and most recently, Jabil Circuit Inc. In addition to David, redT has made a number of additional hires within the Engineering, Implementation, and R&D departments and has grown its overall headcount by 25% by the end of Q1. One of the key objectives for 2017 is to build and integrate the core functional teams to deliver our business plan.

In Q4 2016 redT's pipeline of unqualified global customer interest totalled $263m. Following strategic assessment by the management and commercial team, the Company has mined this pipeline and identified an initial sales segment of qualified, deliverable projects in which redT are fully engaged, with the aim of closing orders in the short to medium term. redT's commercial strategy will focus on deploying systems in the UK, EU and Africa initially, where the Company has a local presence, close to customer projects. From an application perspective, the initial focus will be off-grid diesel optimisation & microgrid projects, where we see strong payback periods, and on-grid connection projects focussed on "firming" solar generation, providing savings and additional grid service revenue streams to customers. The Company will also continue to pursue orders from the wider sales pipeline for medium to longer term benefit. However, short term focus on the above early market segments is crucial to developing the Company's product reputation, enhancing its corporate brand, and building long term equity value as a result.

Early product market focus for 2017 has been on validating our Gen 2 products and delivering these to customer sites. These include the first delivery of a 5kW-20kWh Gen 2 machine to The University of Strathclyde and two further sales consisting of a 10kW-75kWh machine and a 60kW-300kWh machine. The Company was also pleased to announce the deployment of a 1MWh project to The Olde House in Cornwall, alongside energy services company Centrica. This project, utilising the systems originally manufactured for the Isle of Gigha, is the largest energy storage project to be deployed in Cornwall to date and will be a crucial and high profile demonstration site.

Thanks to the achievement of the key milestones reached throughout 2016, redT is now well positioned to capitalise on the existing interest shown within this rapidly expanding global market. 2017 will be about building an organisational structure that retains the strong redT corporate identity which has developed over the past 15 years, whilst having the agility and skills set required to pursue our growing sales pipeline. As a Company which has traditionally positioned itself as a "quiet achiever", 2017 will see redT entering its sales and marketing phase, strategically pursuing the key geographical and application markets outlined above. This year, we are focussed on delivering initial Gen 2 sales into key market multiplier segments and building the foundations for the long term growth and stability of the business.

Operational review

The Group reports its results in the following segments; redT energy storage business and Camco business. The two individual segments are addressed in further detail in the sections below.

redT energy storage business

In November, redT announced the successful completion of its Gen 1 market seeding phase. The programme aim was to work alongside selected customers and partners to prove the installation and commissioning process of redT machines in a variety of market seeding applications. Throughout the course of the project, over 2MWh of product was dispatched to sites in the UK, Europe and Africa for use in a wide variety of applications.

As a direct result of the programme, the Company was able to transfer knowledge gained into the Gen 2 product development process, leading to several product enhancements being made as a direct result. Furthermore, in September, redT announced the successful completion of system performance testing, which took place at PNDC. This proved the performance of redT's core stack technology and system IP, and represented a key strategic milestone for the business. Additionally, the Company was also pleased to welcome Scottish Minister for Business, Innovation and Energy, Paul Wheelhouse at the site during a visit he made to highlight the crucial role redT technology will play in the development of a flexible, secure and low carbon energy system in the UK.

In addition to redT's achievements regarding the validation of its technology, the Company also announced in September a new partnership with Newcastle University to research and develop a hybrid energy storage system as part of a three year project, funded by Innovate UK partners. The project is progressing well and aims to develop a system which can utilise a redT energy storage machine alongside conventional, power-centric, disposable technologies such as lead-acid and lithium-ion. By utilising the individual strengths of these different technologies, we continue to explore the creation of a hybrid product that could serve the entire market.

Furthermore, we were also pleased to announce in February this year, that redT had been awarded the title of "Technology Company of the Year" at the prestigious Grant Thornton Quoted Company Awards, which recognises the achievements of the UK's smaller companies during 2016. External recognition of the Company's achievements is a major accolade and serves to underline the hard work and commitment of our highly competent team.

redT's global manufacturing partnership with Jabil Circuit Inc. continues to develop strongly. The previous year saw a number of manufacturing milestones surpassed, with the first Gen 2 unit being manufactured in November. The same month also saw redT make their first Gen 2 sale, to South Africa based energy solutions provider Inala, for delivery in 2017, who will in turn supply this to one of Africa's largest telecom operators for use at one of their sites. This machine is the first Gen 2 unit sold into Africa and will soon be followed by another system which will shortly be delivered to the Thaba Eco Lodge in Johannesburg.

Camco business

The Camco business delivered strongly throughout 2016 and is set to continue its positive contribution to the Group in 2017. The business continues to be cash flow positive and managed two investment advisory mandates during the majority of the past year.

In December 2015, Camco was appointed as manager of the Renewable Energy Performance Platform ("REPP"), which aims to support African renewable energy projects smaller than 25MW through the provision of project development funding, results based finance and technical and financial assistance. During its first year of operation REPP was highly successful, agreeing support packages with six projects in 2016 and meeting most of its year 1 objectives.

With the continuing success of the REPP mandate, in November, Camco mutually agreed with its partner EISER Infrastructure Partners LLP to end its involvement in Green Africa Power LLP (GAP). This allowed Camco to focus its efforts on its further growth and development, including the REPP mandate.

Additionally, the Camco US business also continued to operate throughout 2016. This non-strategic, legacy business retains service contracts from the previously disposed biogas assets and generates positive cash flow for the business. Furthermore, the legacy Camco Carbon portfolio continues to be managed by our EU ETS compliance specialist and also generates useful cash flows for the Group whilst not being a core activity.

In closing, I would like to sincerely thank the entire redT team for their hard work and dedication throughout a landmark year in the history of the Company. My thanks also go to our shareholders, both new and existing for their continuing support during this critical phase for our business. As the Company moves from sound foundations into a sales and marketing phase over the next 12 months, I look forward to starting a new chapter in our corporate development.

Scott McGregor
Chief Executive Officer
24 April 2017

Financial review

Overall Group result

2016 was a major year in the progress of the redT energy Group. It was the first full year following the significant changes to the structure of the business which were undertaken in 2015; acquiring additional REDH shareholding to fully consolidate the subsidiary within the Group; disposal of the US biogas assets; and completing the strategic refocus of the Africa Clean Energy business. The re-structure enabled the Group to strategically focus its efforts on bringing the redT energy storage business to market, whilst a watchful eye was maintained on the self-sufficient and positive cash generative legacy Camco revenue streams. The year also saw the Group successfully complete two capital raises - a major achievement during a period of uncertainty within the capital markets following Brexit, the US Presidential election result, and the falling value of the Pound. The capital investment secured enables the Group, now with a solid balance sheet, to proceed ahead with the critical commercialisation & operational growth phase of the redT energy storage business.

Financial results for the Group in 2016 were in line with management expectations. The Group recorded a loss for the year of €5.6m compared to a profit of €0.7m in 2015. The prior year's profit was largely due to €2.2m of one off gains resulting directly from the structural changes made to the business during that period, with 2016 seeing the first full year of REDH business consolidation within the Group. Revenue was broadly in line year-on-year with €10.8m recorded versus €11.1m in the prior year, with almost all revenue generation resulting from the Group's Camco business. Gross margin saw a year-on-year decrease from €4.8m to €2.3m as a result of the redT energy market seeding programme, plus a one off high margin US Carbon portfolio sale achieved in prior year. Underlying administrative expenses remain tightly controlled, however these have increased year-on-year directly due to a full year of REDH business consolidation in 2016, from €6.3m to €7.6m. Full year Share Based Payment expense following the implementation of the 2015 redT employee scheme in December 2015, resulted in an income statement charge of €0.4m in the period. The result was the recording of a loss from operating activities of €5.7m (2015: loss €1.5m), with an associated EBITDA loss of €5.2m (2015: loss €1.5m) (excluding exceptional & discontinued ops.).

redT energy storage business

The redT business is solely focussed on the on-going progression of its energy storage machine, with the business entering the critical commercialisation and operational growth phase of its life cycle. The results for the period are reflective of the first full year of the REDH business consolidated within the Group, with prior year accounting for only three months (roll-in acquisition took place end of September 2015, taking the business from being an investment to a fully consolidated subsidiary).

A gross margin loss of €1.5m was recorded in the period (2015: profit €0.3m) which related exclusively to the completion of the key market seeding programme which saw Gen 1 machines deployed to strategic partners across UK, Europe, and Africa. An overall segmental loss of €6.2m was recorded (2015: loss €2.8m), reflecting the cost of the market seeding programme, plus the full year absorption of the REDH cost base.

Camco business

The Camco business is comprised of the legacy business operations of Africa, US and Carbon, which combined generates positive cash contributions to the Group.

During the period Camco Africa managed two investment advisory mandates; a co-advisory mandate to Green Africa Power LLP (GAP) through our partner EISER Infrastructure Partners LLP, and Renewable Energy Performance Platform (REPP) mandate in partnership with Greenstream Network Ltd. In November 2016 Camco came to a mutual agreement to bring to an end its involvement with GAP, enabling Camco to focus on growing and building the REPP mandate, for which it is the lead adviser. Camco US is focussed on the management of the previously disposed biogas assets via a service contract agreement, with Camco Carbon completing the legacy business segment, centred on ad hoc EU ETS Compliance Services.

The Camco business recorded revenue of €10.5m (2015: €10.7m), gross margin €3.8m (2015: €4.6m) and segmental profit €0.9m (2015: profit €1.3m), with the drop in year-on-year gross margin and profit relating to the impact of the prior year one off high margin US Carbon portfolio sale, partially offset by the Camco Africa GAP mutual termination agreement.

Group operating expenses

Overall administration expenses from continuing operations amounted to €7.6m (2015: €6.3m), primarily reflecting the first full year of the REDH business consolidated within the Group (prior year accounting for only three months).

The redT business administration expenses totalled €4.7m (2015: €3.0m), with the increase centred solely around the full year recognition of the REDH business, as the development of the energy storage machine continued at pace. In contrast, the Camco business saw administration expenses reduce from €3.3m to €2.9m in 2016, as a result of the disposal of the US biogas & carbon portfolio sale in 2015.

The Group continues to maintain tight expenditure control, however is now focussed on growing its operational cost base to support the development, commercialisation and growth phase of the redT energy storage business.

Fundraising

2016 was a very successful year for the Group in securing investment from new and existing shareholders – a major achievement during a period of uncertainty within the capital markets following Brexit, the US Presidential election result, and the deflated value of the Pound.

On 9 February 2016, shareholders approved the issue of 51,851,852 ordinary shares to new and existing shareholders, raising £3.5m (before expenses).

On 30 December 2016 shareholders approved the issue 150,000,000 ordinary shares through a placing to institutional and other investors, and an additional 26,774,374 ordinary shares by way of an open offer, to raise a total of £14.88m (before expenses). Following the placing of the remaining 9,220,156 open offer shares with certain institutional investors, a total of 185,994,530 new ordinary shares were admitted to trading on AIM on 3 January 2017, resulting in a revised total issued and voting share capital comprising 653,923,424 ordinary shares. As the new ordinary shares were admitted to trading on 3 January 2017, the fund raise is deemed a non-adjusting post balance sheet event for the purposes of the 2016 Annual Report.

The capital raised in 2016 provides the Group with the capital investment to proceed ahead with the critical commercialisation & operational growth phase of the redT energy storage business. It also represented a vote of confidence by both new and existing shareholders in the strategic plan that the Group has in place to grow the business, through steady, calculated and sustainable growth.

Cash and cash equivalents

At 31 December 2016, the Group held cash and cash equivalents of €2.8m (2015: €2.9m), with all cash available to the Group for general working capital purposes, with the Group continuing to hold zero loans and borrowings.

The key movements in cash during 2016 were: proceeds from issue of share capital €4.4m, final cash payment received for the prior year sale of the US biogas assets €2.4m, and cash outflow from operating activities €6.3m.

Our cash position at 31 March 2017 is €17.2m following the capital raising of £14.88m (before expenses).

Scott Laird
Finance Director
24 April 2016

Directors' report

The Directors present their Directors' report and financial statements for the year ended 31 December 2016 (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"). The Company is registered in Jersey, Channel Islands and is taxed at the Company standard rate of 0%.

Principal activities

The principal activity of the Company and its subsidiaries (together the "Group") is to develop and supply durable and robust energy storage machines based on proprietary vanadium redox flow technology for on and off-grid applications.

Business review and principal risks

The Business review of the Group can be found in the Annual Report of the Company for the year to 31 December 2016, 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 9 which are incorporated in this report by reference. The Annual Report also provides a description of the principal financial risks 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 23 to these financial statements.

Results and dividends

The Group loss for the year after taxation was €5.6m (2015: profit €0.7m). 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 28 February 2016)
Jeffrey Kenna	Non-executive Chairman
Michael Farrow	Non-executive
Zainul Rahim bin Mohd Zain	Non-executive
John Ward	Non-executive (appointed 15 February 2016)
Jonathan Marren	Non-executive (appointed 1 March 2016)
Neil O'Brien	Non-executive (appointed 9 September 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 13.

Share capital

The issued share capital of the Company at 1 January 2016 was €4,098,332.27 comprised of 409,833,227 ordinary shares of €0.01. There were no shares held in treasury.

During the period the Company issued 58,095,667 new ordinary shares:

- On 10 February 2016 the company issued 51,851,852 shares
- On 16 May 2016 the company issued 6,243,815 shares

The issued share capital of the Company at 31 December 2016 was €4,679,288.94 comprised of 467,928,894 ordinary shares of €0.01. There were no shares held in treasury.

A further raise was approved by shareholders on the 30 December 2016 for the placing of 150,000,000 shares, and an additional 35,994,530 shares by way of an open offer. The total new ordinary shares of 185,994,530 were admitted to trading on AIM on 3 January 2017, resulting in a revised total issued and voting share capital comprising 653,923,424 ordinary shares. As the shares were admitted to trading on 3 January 2017, the fund raise is deemed a non-adjusting post balance sheet event for the purposes of the 2016 Annual Report.

Substantial shareholdings

As at 31 March 2017, the following shareholders own more than 3% of the issued share capital of the Company:

	% of issued share capital	**Number of shares**
Alchemy Projects Ltd (private investment vehicle of John Ward)	14.90	97,419,319
Payar Investments Ltd (subsidiary of Khazanah Nasional Berhad)	9.52	62,229,986
Anthony Millar	3.89	25,413,893
B.S Pension Fund Trustee Ltd	3.82	25,000,000
Schroder Investment Management	3.72	24,335,103

Political and charitable contributions

The Group made no political or charitable contributions during the year (2015: €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 UK Corporate Governance Code for small companies ("The Code") to provide oversight to support the proper governance of the Company, these are outlined below.

The Audit Committee

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

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

- Review of the annual financial statements and interim reports prior to approval, focussing 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;
- Recommendation of appointment and reappointment of the external auditors to the Board.

The Remuneration Committee

The Remuneration Committee comprises Zainul Rahim bin Mohd Zain (Chairman), Jonathan Marren 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 Secretaries Limited which is 100% owned by 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 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 management accounts with comparison of actual performance against budget; and consideration of the outturn for the year;
- Approval by the Board is required for major investments outside the budget.

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 9. The financial position of the Group, its cash flows and liquidity position are described in the same report. In addition, Notes 23 to 24 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 27 to the financial statements.

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 PricewaterhouseCoopers LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Michael Farrow
Consortia Secretaries Limited
Company Secretary

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

24 April 2017

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), Jonathan Marren and Michael Farrow. The Committee's terms of reference take into account the provisions of The 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 2015 and 2016 each of executive Directors waived their contractual entitlement to pension contributions (5%) for the entire year.

Directors' remuneration during the year

	2016 Salaries and fees €'000	2016 Benefits in kind €'000	2016 Short-term performance related remuneration €'000	2016 Long-term performance related remuneration €'000	2016 Pension benefits €'000	2016 Total €'000
Executive Directors						
Scott McGregor	**244**	**2**	**102***	**–**	**–**	**348**
Jonathan Marren	**30**	**–**	**–**	**–**	**–**	**30**
Non-executive Directors						
Jeffrey Kenna	**73**	**–**	**–**	**–**	**–**	**73**
Michael Farrow	**40**	**–**	**–**	**–**	**–**	**40**
Zainul Rahim bin Mohd Zain	**37**	**–**	**–**	**–**	**–**	**37**
Jonathan Marren	**33**	**–**	**–**	**–**	**–**	**33**
Neil O'Brien	**10**	**–**	**–**	**–**	**–**	**10**
Total	**467**	**2**	**102**	**–**	**–**	**571**

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

	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

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 2015 and 2016 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 (2015: €Nil).

The Company's share price at the end of the year was 8.830 pence/€0.1035 (2015: 7.875 pence/€0.1068). The highest share price in the year was 16.250 pence/€0.1906 (2015: 9.250 pence/€0.1254) and the lowest 6.875 pence/€0.0806 (2015: 3.375 pence /€0.0457).

Report of the remuneration committee (continued)

Camco 2006 Executive Share Plan (the "Plan")

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

Under the Plan the Company can 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 2015 Share awards exercisable Number	Exercised Number	At 31 December 2016 Share awards exercisable Number	Price payable (per share) €
Scott McGregor	3,406,358	–	**3,406,358**	**0.01**
Jonathan Marren	6,243,814	6,243,814	**–**	**0.01**
Total	9,650,172	6,243,814	**3,406,358**	

The Company's share price at the end of the year was 8.830 pence/€0.1035 (2015: 7.875 pence/€0.1068). The highest share price in the year was 16.250 pence/€0.1906 (2015: 9.250 pence/€0.1254) and the lowest 6.875 pence/€0.0806 (2015: 3.375 pence /€0.0457).

The share-based payment charge booked in respect of the plan in these financial statements for Scott McGregor is €Nil (2015: €Nil) and Jonathan Marren is €Nil (2015: €Nil).

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.

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 resigned 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
24 April 2017

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

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS").

As required by the AIM Rules for Companies of London Stock Exchange Plc, the directors are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the profit and loss for that year.

In preparing those financial statements the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue the business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor's report
to the members of redT energy plc

Report on the group financial statements

Our opinion

In our opinion, redT's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2016 and of its loss and cash flow for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report") comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of comprehensive income;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flow for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

In addition, in light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Accounting records and information and explanations received. Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Richard Spilsbury
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognized Auditor

Edinburgh
24 April 2017

Notes:

(a) The maintenance and integrity of the redT energy plc 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 since they were initially presented on the website.

(b) Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated statement of financial position

At 31 December 2016

	Notes	**2016 €'000**	2015 €'000
Non-current assets			
Property, plant and equipment	14	**103**	101
Intangible assets and goodwill	15	**14,989**	14,989
Deferred tax assets	10	**175**	132
		15,267	15,222
Current assets			
Prepayments and accrued income	16	**509**	381
Trade and other receivables	17	**775**	1,058
Other financial assets	18	**–**	2,420
Corporate tax receivable		**7**	–
Cash and cash equivalents	19	**2,753**	2,935
Assets held for sale	11	**–**	–
		4,044	6,794
Total assets		**19,311**	22,016
Current liabilities			
Trade and other payables	20	**(3,972)**	(5,522)
Deferred income	21	**(480)**	(408)
Corporate tax payable		**–**	(150)
		(4,452)	(6,080)
Non-current liabilities			
Deferred income	21	**(222)**	(250)
		(222)	(250)
Total liabilities		**(4,674)**	(6,330)
Net assets		**14,637**	15,686
Equity attributable to equity holders of the parent			
Share capital	22	**4,679**	4,098
Share premium		**89,201**	85,375
Share-based payment reserve	22	**1,118**	773
Retained earnings		**(79,340)**	(73,823)
Translation reserve	22	**729**	893
Other reserve	22	**(1,621)**	(1,621)
Non-controlling interest	22	**(129)**	(9)
Total equity		**14,637**	15,686

The notes on pages 29 to 57 form an integral part of these consolidated financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 24 April 2017 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 2016

	Notes	**2016 €'000**	2015 €'000
Continuing operations			
Revenue	3	**10,829**	11,106
Cost of sales		**(8,563)**	(6,267)
Gross profit		**2,266**	4,839
Administrative expenses		**(7,927)**	(6,340)
Loss from operating activities		**(5,661)**	(1,501)
Financial income	8	**38**	26
Financial expenses	8	**–**	(1)
Foreign exchange movement	8	**(168)**	165
Net financing expense		**(130)**	190
Share of loss of equity-accounted investees	9	**–**	(1,417)
Gain on disposal of equity-accounted investee		**–**	2,016
Loss before tax		**(5,791)**	(712)
Income tax credit	10	**154**	12
Loss from continuing operations		**(5,637)**	(700)
Discontinued operations			
Profit from discontinued operations (net of tax)	11	**–**	1,370
(Loss)/profit for the year		**(5,637)**	670
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(164)**	351
Total comprehensive income for the year		**(5,801)**	1,021
(Loss)/profit for the year attributable to:			
Equity holders of the parent		**(5,517)**	690
Non-controlling interest		**(120)**	(20)
		(5,637)	670
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(5,681)**	1,041
Non-controlling interest		**(120)**	(20)
		(5,801)	1,021
Basic (loss)/profit per share in € cents			
From continuing operations	12	**(1.23)**	(0.24)
From continuing and discontinued operations	12	**(1.23)**	0.23
Diluted (loss)/profit per share in € cents			
From continuing operations	12	**(1.23)**	(0.24)
From continuing and discontinued operations	12	**(1.23)**	0.22

The notes on pages 29 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For year ended 31 December 2016

	Note	2016 Share capital €'000	2016 Share premium €'000	2016 Share-based payment reserve €'000	2016 Retained earnings €'000	2016 Translation reserve €'000	2016 Other reserve €'000	2016 Total equity attributable to shareholders of the Company €'000	2016 Equity attributable to non-controlling interest €'000	2016 Total equity €'000
Balance as at 1 January 2016		**4,098**	**85,375**	**773**	**(73,823)**	**893**	**(1,621)**	**15,695**	**(9)**	**15,686**
Total comprehensive income for the year										
Loss for the year		**–**	**–**	**–**	**(5,517)**	**–**	**–**	**(5,517)**	**(120)**	**(5,637)**
Other comprehensive income										
Foreign currency transaction differences		**–**	**–**	**–**	**–**	**(164)**	**–**	**(164)**	**–**	**(164)**
Total comprehensive income for the year		**–**	**–**	**–**	**(5,517)**	**(164)**	**–**	**(5,681)**	**(120)**	**(5,801)**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payments	6	**–**	**–**	**345**	**–**	**–**	**–**	**345**	**–**	**345**
Issuance of shares	22	**581**	**3,991**	**–**	**–**	**–**	**–**	**4,572**	**–**	**4,572**
Transaction costs arising on share issues		**–**	**(165)**	**–**	**–**	**–**	**–**	**(165)**	**–**	**(165)**
Total contributions by and distributions to owners		**581**	**3,826**	**345**	**–**	**–**	**–**	**4,752**	**–**	**4,752**
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary through Issuance of shares	22	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2016		**4,679**	**89,201**	**1,118**	**(79,340)**	**729**	**(1,621)**	**14,766**	**(129)**	**14,637**

The notes on pages 29 to 57 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	6	–	–	17	–	–	–	17	–	17
Issuance of shares	22	70	–	–	–	–	–	70	–	70
Transaction costs arising on share issues		–	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners		70	–	17	–	–	–	87	–	87
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary through issuance of shares	22	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 57 form an integral part of these consolidated financial statements.

Consolidated statement of cash flow

For year ended 31 December 2016

	Notes	**2016 €'000**	2015 €'000
Cash flows from operating activities			
(Loss)/profit for the year		**(5,637)**	670
Adjustments for:			
Depreciation, amortisation and impairment	14	**57**	34
Foreign exchange loss/(gain) on translation	8	**168**	(165)
Financial income	8	**(38)**	(26)
Financial expense	8	**–**	1
Impairment of receivables – bad debt write-off		**(36)**	–
Share of loss of equity accounted investees	9	**–**	1,417
Gain on disposal of equity-accounted investee		**–**	(2,016)
Gain on sale of discontinued operations, net of tax	11	**–**	(1,370)
Equity settled share-based payment expenses	6	**345**	17
Taxation	10	**(59)**	(12)
		(5,200)	(1,450)
Decrease in trade and other receivables		**170**	121
(Decrease) in trade and other payables		**(1,314)**	(1,218)
		(1,144)	(1,097)
Net cash outflow from operating activities		**(6,344)**	(2,547)
Cash flows from investing activities			
Proceeds from disposal of discontinued operations		**–**	731
Acquisition of a subsidiary, net of cash acquired		**–**	607
Acquisition of property, plant and equipment	14	**(72)**	(52)
Net cash inflow from investing activities		**(72)**	1,286
Cash flows from financing activities			
Proceeds from the issue of share capital		**4,406**	–
Proceeds from other financial assets		**2,420**	–
Interest received	8	**38**	26
Interest paid	8	**–**	(1)
Net cash inflow from financing activities		**6,864**	25
Net increase/(decrease) in net cash and cash equivalents		**448**	(1,236)
Net cash and cash equivalents at 1 January		**2,935**	4,057
Effect of foreign exchange rate fluctuations on cash held		**(630)**	114
Net cash and cash equivalents at 31 December	19	**2,753**	2,935

The notes on pages 29 to 57 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 2016 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 24 April 2017.

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 Note 15.

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 23 and 24 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group has 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 service contracts

The US business recognises revenue on the management of the biogas facilities for which it was awarded the contract to manage following their sale in the prior year. Revenue is recognised monthly based upon pre-agreed contractual monthly management fees.

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.

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 machine 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.

Notes (continued)

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 'research and development (R&D)' as part of the acquisition of the REDH business (September 2015). The R&D related to expenditure incurred within two main categories; Technical Expertise (Personnel Costs) and Other Directly Attributable Administration Expenses, incurred by the REDH business since 2010 until the date of acquisition. At date of acquisition, R&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 2016 this criteria had not been fully achieved. A review will be undertaken in 2017 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 of disposal 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 cost of disposal 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 0.8524 (2015: 0.7375), USD 1.0520 (2015: 1.0931), CNY 7.3056 (2015: 7.0973), KES 107.5315 (2015: 111.8906), TZS 2287.2827 (2015: 2357.3786), ZAR 14.4509 (2015: 16.9982).

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 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.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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 a defined contribution retirement benefit plan 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.

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.

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.

Leases where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

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 and other financial assets. Such financial assets are recognised initially at fair value, and subsequently carried at amortised cost and assessed for impairment at the end of each financial period.

R. *Non-derivative financial liabilities*

The Group has the following non-derivative financial liabilities: 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*

(a) *New standards, amendments and interpretations*

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2016 have had a material impact on the group or parent company.

(b) *New standards, amendments and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the group or parent company, except the following, set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different from that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement. The impact of IFRS 9 is being assessed by management. The main impact is likely to arise from the implementation of the expected loss model although full quantification of this impact is still underway.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU endorsement. The impact of IFRS 15 is being assessed by management. Implementation of IFRS15 requires a thorough review of existing contractual arrangements. At present, the directors anticipate there may be some changes in the recognition of royalty income leading to earlier recognition of some income although the amounts involved are relatively immaterial. The transition work in respect of other areas is on-going but has not, as yet, highlighted potentially material adjustments.

IFRS 16, ‘Leases’ addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 ‘Leases’, and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted, subject to EU endorsement and the entity adopting IFRS 15 ‘Revenue from contracts with customers’ at the same time. The full impact of IFRS 16 has not yet been assessed.

2. Segmental reporting

Operating segments

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

1. **redT**: redT develops and supplies durable and robust energy storage machines based upon a proprietary vanadium redox flow technology for on and off-grid applications. This operating segment also contains the corporate costs for the Group.

2. **Camco:** Camco business segment comprises of Africa, US and Carbon. Camco Africa manages two investment advisory mandates; a co-advisory mandate to Green Africa Power LLP (GAP) through our partner EISER Infrastructure Partners LLP, and Renewable Energy Performance Platform (REPP) mandate in partnership with Greenstream Network Ltd. The US is comprised of the management of the previously disposed biogas assets via a service contract agreement. Carbon contains the EU ETS Compliance Services business.

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

Operating segments

	redT		Camco		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015
	€'000	€'000	**€'000**	€'000	**€'000**	€'000
Segment revenue	**302**	426	**10,527**	10,680	**10,829**	11,106
Segment gross margin	**(1,540)**	256	**3,806**	4,583	**2,266**	4,839
Segment administrative expenses	**(4,680)**	(3,037)	**(2,875)**	(3,286)	**(7,555)**	(6,323)
Segment result	**(6,220)**	(2,781)	**931**	1,297	**(5,289)**	(1,484)
Impairment of receivables	**–**	–	**36**	–	**36**	–
Share-based payments					**(408)**	(17)
Results from operating activities					**(5,661)**	(1,501)
Finance income					**38**	26
Finance expense					**–**	(1)
Foreign exchange movement					**(168)**	165
Share of loss of equity accounted investees					**–**	(1,417)
Gain on original investment					**–**	2,016
Taxation					**154**	12
Gain from discontinued operation					**–**	1,370
(Loss)/profit for the year					**(5,637)**	670
Segment assets	**17,387**	15,866	**1,924**	6,150	**19,311**	22,016
Total assets	**17,387**	15,866	**1,924**	6,150	**19,311**	22,016
Segment liabilities	**(4,100)**	(5,009)	**(574)**	(1,321)	**(4,674)**	(6,330)
Total liabilities	**(4,100)**	(5,009)	**(574)**	(1,321)	**(4,674)**	(6,330)
Capital expenditure	**72**	48	**–**	–	**72**	48
Depreciation	**53**	32	**4**	2	**57**	34

3. Revenue

By reporting segments:

	2016	2015
	€'000	€'000
redT	**302**	426
Camco	**10,527**	10,680
Total revenue	**10,829**	11,106

4. Expenses and auditor's remuneration

Included in comprehensive income are the following:

	2016	2015
	€'000	€'000
Depreciation of property, plant and equipment – owned assets (Note 14)	**57**	34
Operating lease rental – land and buildings (Note 25)	**211**	260
Share-based payments (Note 6)	**408**	17

Services provided by the Group's auditor:

During the year the Group obtained the following services from the Company's auditor, PricewaterhouseCoopers LLP (2015: KPMG LLP):

	2016 €'000	2015 €'000
Audit of these financial statements	**62**	108
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**11**	19
Total services	**73**	127

5. Staff numbers and costs

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

	Number of employees	
	2016	2015
redT	**24**	8
Camco	**19**	41
	43	49

The aggregate payroll costs of continuing operations were as follows:

	2016 €'000	2015 €'000
Wages and salaries	**3,674**	3,527
Share-based payments (see Note 6)	**408**	17
Social security costs	**381**	266
Contributions to defined contribution plans (Note 7)	**48**	6
	4,511	3,816

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

6. 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.

	2016 €'000	2015 €'000
2015 redT Employee Share Plan	**345**	17
NIC on exercised options – Camco 2006 Executive Share Plan	**63**	–
	408	17

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.

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.

	2016 Number of options	2015 Number of options
Exercisable at the beginning of the year	**9,650,172**	16,650,172
Exercised during the year	**(6,243,814)**	(7,000,000)
Exercisable at the end of the year	**3,406,358**	9,650,172

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). On 30 June 2016 the Company awarded to an employee (not a Director) 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/€0.06762 per share (2,779,661 shares).

During 2015 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.

On 7 December 2015 the Plan options are valued by multiplying the market price of the Company's ordinary shares at date of grant (8.38p/€0.11651) less the exercise price. On 30 June 2016 the Plan options are valued by multiplying the market price of the Company's ordinary shares at date of grant (7.875p/€0.09509) less the exercise price.

The annual share based payment charge has been calculated using the above criteria plus assumption of 75% retention rate for all members associated with the scheme.

	2016 Average exercise price per share option	**2016 Number of options**	2015 Average exercise price per share option	2015 Number of options
Outstanding at the beginning of the year	**0.02818**	**18,484,475**	–	–
Granted during the year	**0.03334**	**2,779,661**	0.04176	25,433,628
Forfeited during the year	–	**–**	0.02818	(6,949,153)
Vested during the year	–	**–**	–	–
Outstanding at the end of the year	**0.03334**	**21,264,136**	0.02818	18,484,475
Exercisable at the end of the year	**–**	**–**	–	–

7. Retirement obligations

Defined contribution plans

In the UK the Group operates a defined contribution retirement benefit plan 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 €48,000 (2015: €6,000), which represents the contributions paid to the plan. There were no outstanding payments due to the plan at the balance sheet date.

8. Net finance income

	2016 €'000	2015 €'000
Finance income		
Interest on bank deposits	**11**	26
Interest on loan note	**27**	–
	38	26
Finance expense		
Interest	**–**	(1)
	–	(1)
Foreign exchange movements	**(168)**	165
Net finance income	**(130)**	190

9. Investments in Associates and Joint Ventures

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

	REDH 2016 €'000	REDH 2015 €'000
Balance at 1 January	**–**	2,533
Share of loss	**–**	(1,417)
Disposal of original investment	**–**	(1,188)
Foreign exchange movement	**–**	72
Balance as 31 December	**–**	–

During 2015 the Group reached agreement to acquire REDH shares that it did not 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% in REDH. The share acquisition resulted in a net 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.

10. Taxation

Recognised in the income statement

	2016 €'000	2015 €'000
Current tax (credit)/expense:		
Foreign tax	**(95)**	4
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
	(95)	4
Deferred tax expense:		
Movement in deferred tax asset in current year	**(59)**	(16)
Total income tax in the income statement	**(154)**	(12)

Notes (continued)

The tax charge for the period is lower (2015: lower) than the 0% rate of corporation tax in Jersey and the differences are explained below:

Reconciliation of effective tax rate

	2016	2015
	€'000	€'000
Loss before tax	**(5,791)**	(712)
Loss before tax multiplied by 0% rate of corporation tax in Jersey (2015: 0%)	**–**	–
Effects of:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,088)**	(633)
Non-deductible expenses	**(54)**	(90)
Origination and reversal of timing differences	**(67)**	(21)
Unutilised losses carried forward and not recognised	**1,055**	732
Adjustments recognised in the current year in relation to prior years	**–**	–
Total income tax (credit) in the income statement	**(154)**	(12)

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 2016, the Group had UK tax losses carried forward within certain UK subsidiaries for utilisation in future periods for continuing operations amounting to €8,467,000 (2015: €3,859,000). 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:

	2016	2015
	€'000	€'000
Deferred tax asset at 1 January	**132**	109
Foreign exchange movement	**(16)**	7
Current year credit	**59**	16
Deferred tax asset 31 December	**175**	132

Deferred tax asset comprises of:

	2016	2015
	€'000	€'000
Share options	**180**	119
Accelerated capital allowances	**(5)**	13
Net deferred tax asset 31 December	**175**	132

11. Assets held for sale and discontinued operations

Summary results of discontinued operations – Group

	2016	2015
	€'000	€'000
US biogas income statement	**–**	(371)
US biogas net gain from disposal	**–**	2,042
Kenya income statement net of FV loss on assets	**–**	(160)
Tanzania income statement net of FV loss on assets	**–**	(141)
Profit for the year	**–**	1,370

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:

	2016	2015
	€'000	€'000
Revenue	**–**	4,008
Expenses	**–**	(4,379)
Tax on profit	**–**	–
(Loss)/profit for the year	**–**	(371)

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

	2016	2015
	€'000	€'000
Net cash used in operating activities	**–**	1,887
Net cash used in investing activities	**–**	–
Net cash from financing activities	**–**	(918)
Net cash from discontinued operations	**–**	969

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

	2016 €'000	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 remain subject to the completion and filing of the 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:

	2016 €'000	2015 €'000
Revenue	–	804
Expenses	–	(934)
Tax on profit	–	–
(Loss) recognised on FV of assets	–	(30)
(Loss)/profit for the year	–	(160)

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

	2016 €'000	2015 €'000
Net cash used in operating activities	**–**	(37)
Net cash used in investing activities	**–**	–
Net cash from financing activities	**–**	–
Net cash (used in)/from discontinued operations	**–**	(37)

Assets/liabilities classified as held for sale – Kenya:

	2016 €'000	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	**–**	–

Results of the discontinued operation – Tanzania:

	2016 €'000	2015 €'000
Revenue	**–**	16
Expenses	**–**	(132)
Tax on profit	**–**	–
(Loss) recognised on FV of assets	**–**	(25)
(Loss)/profit for the year	**–**	(141)

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

	2016 €'000	2015 €'000
Net cash used in operating activities	**–**	(113)
Net cash used in investing activities	**–**	–
Net cash from financing activities	**–**	–
Net cash (used in)/from discontinued operations	**–**	(113)

Assets/liabilities classified as held for sale – Tanzania:

	2016 €'000	2015 €'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	–	–

12. Profit/(loss) per share

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

	2016 € cents per share	2015 € cents per share
Basic profit/(loss) per share		
From continuing operations	**(1.23)**	(0.24)
From continuing and discontinued operations	**(1.23)**	0.23
Diluted profit/(loss) per share		
From continuing operations	**(1.23)**	(0.24)
From continuing and discontinued operations	**(1.23)**	0.22
Profit/(loss) used in calculation of basic and diluted loss per share	**€'000**	€'000
From continuing operations	**(5,637)**	(700)
From continuing and discontinued operations	**(5,637)**	670
Weighted average number of shares used in calculation		
Basic	**459,941,919**	287,839,087
Diluted	**459,941,919**	300,195,730

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 2016 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

	2016 Number	2015 Number
Number in issue at 1 January	**409,833,227**	246,135,113
Effect of share options exercised	**3,923,709**	6,309,589
Effect of shares issued in the year	**46,184,983**	35,394,385
Weighted average number of basic shares at 31 December	**459,941,919**	287,839,087
Effect of share options granted not yet exercised	**–**	12,356,643
Weighted average number of diluted shares at 31 December	**459,941,919**	300,195,730

13. Directors' share interests

	2016 Number	2015 Number
Executive Directors		
Scott McGregor	**11,973,126**	11,973,126
Non-executive Directors		
John Ward	**97,419,319**	–
Jonathan Marren	**7,743,815**	4,700,000
Jeffrey Kenna	**2,162,325**	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, the executive Directors have conditional rights to acquire shares arising from awards granted under the Share Based Incentive Plan. These awards are detailed in the Report of the Remuneration Committee on pages 16 to 19.

14. Property, plant and equipment

	Computer and office equipment €'000	**Leasehold improvement €'000**	**Property plant & equipment €'000**	**Total €'000**
Cost at 1 January 2016	**334**	**59**	**–**	**393**
Additions	**52**	**20**	**–**	**72**
Disposals	**(77)**	**–**	**–**	**(77)**
Acquired through business combination	**–**	**–**	**–**	**–**
Effect of movements in foreign exchange	**3**	**–**	**–**	**3**
Cost at 31 December 2016	**312**	**79**	**–**	**391**
Accumulated depreciation at 1 January 2016	**(282)**	**(10)**	**–**	**(292)**
Charge for the year	**(40)**	**(17)**	**–**	**(57)**
Charge for the year – discontinued operations	**–**	**–**	**–**	**–**
Disposals	**78**	**–**	**–**	**78**
Effect of movements in foreign exchange	**(10)**	**(7)**	**–**	**(17)**
Accumulated depreciation at 31 December 2016	**(254)**	**(34)**	**–**	**(288)**
Net book value at 31 December 2016	**58**	**45**	**–**	**103**
Net book value at 31 December 2015	**52**	**49**	**–**	**101**

15. Intangible fixed assets

Goodwill – Subsidiary acquisition (REDH)

	2016 €'000	2015 €'000
Cost at 1 January	**8,167**	–
Acquisitions	**–**	8,167
Cost at 31 December	**8,167**	8,167

Intangible assets – R&D (REDH)

	2016 €'000	2015 €'000
Cost at 1 January	**6,822**	–
Acquisitions	**–**	6,822
Cost at 31 December	**6,822**	6,822

Total Goodwill & Intangible Assets

	2016 €'000	2015 €'000
Cost at 1 January	**14,989**	–
Acquisitions	**–**	14,989
Cost at 31 December	**14,989**	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 2016 this criteria had not yet been achieved. A review will be undertaken in 2017 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, using a Value in use calculation, for which the recoverable amount exceeds its carrying amount.

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 23% and growth rate beyond forecast period 2%. A reduction in the growth rate beyond forecast period from 2% to 1% would reduce the excess of the recoverable amount, however still resulting in an overall excess amount exceeding the carrying value.

16. Prepayments and accrued income

	2016 €'000	2015 €'000
Prepayments	**409**	247
Accrued income	**100**	134
	509	381

17. Trade and other receivables

	2016 €'000	2015 €'000
Trade receivables	**573**	820
Other receivables	**202**	238
	775	1,058

18. Other financial assets

	2016 €'000	2015 €'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 29 January 2016.

19. Cash and cash equivalents

	2016 €'000	2015 €'000
Cash on deposit	**2,753**	2,935
Cash and cash equivalents in the cash flow statement	**2,753**	2,935

20. Trade and other payables

	2016 €'000	2015 €'000
Trade payables	**1,782**	185
Other payables	**2,190**	5,337
	3,972	5,522

21. Deferred income

	2016 €'000	2015 €'000
Non-current liabilities		
Deferred income	**222**	250
	222	250
Current liabilities		
Deferred income	**480**	408
	480	408

22. Issued share capital and reserves

	Number 2016 '000	2016 €'000	Number 2015 '000	2015 €'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	**409,833**	**4,098**	246,135	2,461
Issued in the year	**58,096**	**581**	163,698	1,637
Issued at 31 December	**467,929**	**4,679**	409,833	4,098

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.

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 (September 2015).

Non-controlling interest

Non-controlling interest comprises 0.3% shareholding in REDH that is held outside of the Group.

23. 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 24.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to maintain sufficient funds on call to meet these requirements as they fall due with the rest of cash on term deposit in the relevant currencies as set out below. Liquidity risk is analysed further in Note 24.

Foreign exchange risk

The Group is exposed to foreign exchange 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.

The currency exposure on balances held is set out below:

	Euro €'000	**Sterling €'000**	**US Dollar €'000**	**Chinese Yuan €'000**	**South African ZAR €'000**	**Total €'000**
31 December 2016						
Cash and cash equivalents	**409**	**1,092**	**1,025**	**181**	**46**	**2,753**
Trade and other receivables	**80**	**321**	**367**	**–**	**7**	**775**
Other financial assets	**–**	**–**	**–**	**–**	**–**	**–**
Trade and other payables	**(1,346)**	**(2,290)**	**(242)**	**–**	**(94)**	**(3,972)**
Net exposure	**(857)**	**(877)**	**1,150**	**181**	**(41)**	**(444)**

	Euro €'000	Sterling €'000	US Dollar €'000	Chinese Yuan €'000	South African ZAR €'000	Total €'000
31 December 2015						
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
Trade and other payables	(1,722)	(2,783)	(579)	(319)	(119)	(5,522)
Net exposure	(1,600)	(2,243)	4,720	115	(101)	891

A 5% weakening of the following currencies against the Euro at 31 December 2016 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 2015.

	2016 **€'000**	2015 €'000
Sterling	**42**	106
US Dollar	**(55)**	(225)
Chinese Yuan	**(9)**	(5)
South African ZAR	**2**	5
	(20)	(119)

A 5% strengthening of the above currencies against the Euro at 31 December 2016 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.

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

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

24. Financial instruments

Credit risk

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

	2016 **€'000**	2015 €'000
Trade and other receivables	**775**	1,058
Other financial assets	**–**	2,420
Cash on deposit	**2,753**	2,935
	3,528	6,413

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

	2016 €'000	2015 €'000
Current	**420**	805
Past due under 30 days	**130**	232
Past due between 31 and 120 days	**225**	20
Past due between 121 and 1 year	**–**	1
Past due more than 1 year	**–**	–
	775	1,058

Impairment losses

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

	2016 €'000	2015 €'000
Balance at 1 January	**–**	171
Written off against provision	**–**	(195)
Increase in provision	**1**	3
Effects in movement of foreign exchange	**–**	21
Balance at 31 December	**1**	–

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 2016 €'000	**Con-tractual 2016 €'000**	**1 year or less 2016 €'000**	**1–2 years 2016 €'000**	**2–3 years 2016 €'000**	**3–4 years 2016 €'000**	**More than 4 years 2016 €'000**
Trade payables	**1,782**	**(1,782)**	**(1,782)**	**–**	**–**	**–**	**–**
Other payables	**2,190**	**(2,190)**	**(2,190)**	**–**	**–**	**–**	**–**

	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
Trade payables	185	(185)	(185)	–	–	–	–
Other payables	5,337	(5,337)	(5,337)	–	–	–	–

There are no derivative financial instruments.

25. 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

	2016 €'000	2015 €'000
Less than one year	**211**	260
Between 1 year and 5 years	**499**	279
	710	539

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

26. Related parties

The Group's related business partner is Consortia Secretaries Limited which is 100% owned by Consortia Partnership Limited ("Consortia") who have been appointed Company Secretary. Michael Farrow, a non-executive Director of the Company, is a Director of Consortia. The amounts charged to administration expenses in respect of these services are shown in the table below.

Income statement

	2016 €'000	2015 €'000
Administrative expenses:		
Consortia Partnership Limited	**38**	46

Balance sheet

	2016 €'000	2015 €'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 13.

Business disposals

The Group has two Sale and Purchase Agreements (SPA) in place as at 31 December 2016 (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.

27. Post balance sheet events

redT energy raised £14.88 million (before expenses) through a placing of 185,994,530 ordinary shares on 3 January 2017. The number of ordinary shares in issue and the total voting rights in the Group following the placing is 653,923,424.

As part of the share raise Neil O'Brien, a non-executive Director, purchased 625,000 shares of €0.01 each in the capital of the Company at a price of 8.0 pence per ordinary share.

Following completion of the above post balance sheet event, as at 31 March 2017 the Group held €17.2m in available cash.

28. 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 **2016**	2015
Direct subsidiary undertakings				
Camco Holdings UK Limited	England & Wales	Holding Company	**100%**	100%
Camco Sales Limited	England & Wales	Carbon Sales	**100%**	100%
Camco Services (UK) Limited	England & Wales	Support Services	**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%**	99%
Renewable Energy Dynamics Technology UK Limited	England & Wales	Energy Storage Research & Development	**99%**	99%
Camco Management Limited	England & Wales	Consultancy	**100%**	100%
Renewable Energy Dynamics Holdings Limited	Ireland	Energy Storage Research & Development	**99%**	99%
Renewable Energy Dynamics Technology Limited	Ireland	Energy Storage Research & Development	**99%**	99%
Camco International Group, Inc.	United States of America	Business Services	**100%**	100%
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. Limited	The People's Republic of China	Business Services	**100%**	100%
Camco Advisory Services (Hong Kong) Limited	Hong Kong	Holding Company	**5%**	5%