Camco Clean Energy plc

Directors' report and financial statements
Jersey registered 92432
31 December 2013

Contents

Chairman's report

Two years ago the Board approved a stability plan to re position our business in view of the collapse of the European carbon market. I am pleased to report that by the end of 2013 the plan was completed and our business has been repositioned in three key clean energy growth areas.

We entered the US market in 2007 and have built up a leading position in our sector. This was recognised by our recent award as Project Developer of the Year by the Climate Action Reserve - the first time this award has been given. Our focus has been on the development of cleaner gas projects where there are strong legislative drivers; not only energy and climate changes policies such as the White House Climate Action Plan but also legislation to divert food waste from landfill sites. We now have one of the leading biogas project development teams in the USA and we are operating the largest agricultural methane facility in the USA. Our plan is to build on the platform we have established and develop new assets with long term annuity cash flows.

We have been working in Africa for over 25 years and have seen the clean energy market change from donor funded demonstration projects to become a commercial necessity. Indeed, clean energy now often provides cheaper power than fossil fuel alternatives. There is a chronic shortage of power in sub Saharan Africa and a growing appetite to invest in the African clean energy sector. African governments are introducing supportive legislation and we have advised several governments on their clean energy policies. Our on the ground experience and relevant local experience puts us in a competitive position in this growth market.

Our third and highest growth area is energy storage. Our first investments in the REDT flow energy battery were in 2000 and while this was not a core area at that time, our storage team has worked hard to develop a commercial product culminating in the award of a £3.6m contract to build a 1.26MWh utility storage facility on the island of Gigha, Scotland. Electricity grids are becoming smarter with small distributed power generation. They will transform from a top down approach that was needed with large national power stations to a network of localised generation and demand. Electricity storage is a key element of this transformation and market forecasts of a multi-billion pound market in the next few years support this. This area is now key for us and our focus is to move from demonstration to commercial sales through the reduction in the cost of production of units, which the recently announced outsourced manufacturing contract with Jabil Circuit, Inc. will enable us to achieve.

Turning a business round is challenging and requires intensive work and our executive directors have worked extremely hard and diligently to deliver the stability plan. I would like to thank them and my fellow non-executive directors for the contributions that they have made to the Company in the past year. Finally I would also like to thank our management and staff for their support in 2013. We now have a leaner and fitter base from which we can rebuild our business in 2014.

Jeffrey Kenna
Chairman
27 June 2014

Chief executive officer's report

Summary and Outlook

2013 was a transformational year and we completed the year as a completely different company from that which we started. We commence the first half of 2014 with some exciting opportunities which we have already started to secure and progress. All of our staff have worked tirelessly to put the business in the position it is today and I want to personally thank each one for their hard work and dedication in often extremely challenging circumstances. It is rare that a company can survive a complete market collapse of its core business whilst securing growth opportunities in parallel, huge credit to all our team, partners and shareholders for their determination and conviction to ensure the Company's success.

We started 2013 on the back of the external market collapse of the Certified Emission Reduction unit ("CER") price by 96% in 2012 which had resulted in the elimination of revenue and cash flow from what had been our core business and a need to manage very carefully the resulting liability and contingent liability position. We also had an operational cost base misaligned to the remaining business units and as a result rapidly depleting financial resources.

The position at the start of 2014 is materially different with 3 clearly defined business units having demonstrable growth strategies, an operational cost base that has been reduced to the absolute minimum whilst retaining the necessary functionality and no contingent liabilities.

These 3 business units are focused on 3 key themes which we see developing across the wider clean energy sector being (i) the need for effective energy storage to accelerate the pace of the worldwide roll-out of renewable technology; (ii) the increasing demand for investment into African clean energy projects to alleviate poverty and increase electrification rates; and (iii) deployment of clean energy in developed world countries to reduce emissions from polluting industries but in a way that is cost effective for the industry in question.

Our task in 2014 is to now deliver these opportunities we have created and build on the foundations put in place last year. In doing so, we are focused on building long term equity value for shareholders which we believe, once recognised, will lead to increased investor demand and subsequent long term share price appreciation.

Operational review

Significant progress has been made across each of our 3 main business units; US Clean Energy, Africa Clean Energy and REDT Clean Energy Storage. In addition, our efforts to hibernate our CDM business were effectively completed which, together with the disposal of entities containing the majority of our liabilities, leaves us in a much more secure position than last year.

The financial information in these Report and Accounts split our operations into two segments, being Carbon and Projects. Given the growth potential of the business units within Projects and the focus generally away from carbon activity, the Board may in the future, look to report its operations on a different segmental basis.

US Clean Energy

The US Clean Energy business comprises the Jerome Facility, an operating 4.5MW biogas plant, our US Carbon business and the Twin Falls Facility, an operating 2.1MW biogas facility, which was acquired for $2.7m in cash shortly before the year end.

The Jerome Facility commenced operation in July 2012 with 2013 being its full year of operation. The facility is situated on a dairy farm in Idaho comprising in excess of 17,000 dairy cows and is integral to the logistical operation of the dairy, significantly reducing the cost otherwise incurred in dealing with the vast amounts of cow manure generated and crucially reducing emissions for the dairy owner and facilitating compliance with stringent US environmental regulations. Key for this facility is to match or exceed its monthly minimum forecast power production targets so as to ensure it receives its full power price available to it under the power purchase agreement which it did so for the whole of the year, as it did for 2012 and to date in 2014. The facility also generates a significant number of US carbon credits eligible for the California market and which will generate good cash flow when they are issued as California Carbon Offsets (see below) which we anticipate to occur in the next few months.

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

The Twin Falls Facility is situated close to the Jerome Facility on a dairy farm in Idaho comprising in excess of 10,000 dairy cows and, like the Jerome Facility, is crucial to the operation of the dairy overall. The integration of the facility into our operations has progressed extremely well and we are very pleased with its first few months of operation under our ownership, which continues to be ahead of target. As with the Jerome Facility, the Twin Falls Facility needs to match or exceed its monthly minimum forecast power production targets and has done so for the 5 months since being acquired by the Group. The facility was acquired debt free and does not currently have any debt secured against it.

We have gained significant expertise in operating biogas assets through operating the Jerome Facility, the largest of its kind in the US. This expertise was evident during the evaluation process in acquiring the Twin Falls Facility where in particular the team were able to advise and have implemented improvements to the operating procedure in advance of the acquisition completing to ensure the smooth and efficient running of the facility when we took ownership. We are also confident that the Company will benefit operationally from the close proximity of these two plants.

Our US team continues to focus on further business development in the clean gas space and the ability to grow the pipeline is significantly enhanced by the credibility gained from our two operating assets.

In addition, in the second half of 2013 we were very pleased to see the first issuances of carbon credits (pursuant to the Ozone Depleting Substances and Agricultural Methane methodology) under California's cap-and-trade program (the "California Program") both in the form of California Carbon Offsets ("CCOs") from our portfolio of US carbon credits. At the year end, all our issued CCOs had been sold together with the voluntary credits issued from our forestry project in Afognak, Alaska which delivered good cash flow.

We anticipate issuing 405,000 CCOs in 2014 from our portfolio of Agricultural Methane projects that are managed on behalf of our dairy partners where we receive a revenue share as well as an additional 128,000 CCOs which we own from our Jerome and Twin Falls facilities. Further CCOs are anticipated to be delivered each year between 2015 through 2021 although not to the same volumes as 2014, as 2014 includes volumes held over from 2013 (as a result of delays in the issuance of CCOs caused by the slower than anticipated implementation of regulations governing offsets under California's cap-and-trade program).

Our policy is to sell CCOs when they are issued and where possible lock-in in advance prices to mitigate potential CCO price risk.

Africa Clean Energy

The Group's heritage can be traced back to East Africa in 1989 where it initially focused on environmental and energy projects. Today, it has a well developed presence across Africa serviced from 5 regional offices located in Togo, Kenya, Tanzania (2), and South Africa with 23 client focused full-time employees.

During the latter part of 2013, the team submitted, alongside its development partner MW1, a 5MW solar project into the first round of the Small IPP Procurement Program in South Africa and we were pleased to be notified in March 2014 that it had been shortlisted for the next round. The project will now be submitted to the final round which is expected to commence mid-2014.

Throughout 2013, our team in South Africa has been involved in on-going carbon and energy management, carbon foot printing and reporting for a number of long term private sector clients in the mining, industrial and hotel sectors. Other major projects include a World Bank programme on municipal energy efficiency planning for Nairobi, Accra and Addis Abba, on-going support to Durban's Solar City programme, and development of a Renewable Energy Feed-in-Tariff for Zimbabwe. Key projects for 2013 include providing support to the National Treasury on Electricity Trends and Offsets for the Carbon Tax, in addition to a major programme for the Department of Environmental Affairs on Climate Change Mitigation Potential Analysis. Camco has recently been awarded the follow-up contract to develop the Desired Emission Reduction Outcomes ("DEROs"), a cornerstone of the South African Government's approach to climate change mitigation. In addition, Camco has been awarded a contract by the South African Green Fund to assist in the design of a trading platform within the Johannesburg Stock Exchange for Emission Reductions under the proposed carbon tax.

In Tanzania the team was recently awarded a $1 million contract through USAID's Powering Agriculture Grand Challenge to implement a project to establish biomass powered mini-grids for communities in Benin and Tanzania. The project will involve promoting and commercializing Village Industrial Power Plants ("VIPs") and will result in 50 village agro-processing centres with associated mini-village grids, all powered by agricultural waste (biomass). The mini-village grids will provide between 10-50kWp of electricity for households, social services and businesses. Local technology manufacturers will assemble and sell VIPs to rural enterprises. These rural enterprises will generate, use and sell electricity through a village ESCO (energy service company) model. Targeting initially palm oil producing communities, the VIP technology can also run on other forms of agricultural biomass waste, such as rice and coffee husks and maize cobs.

The Togo office is also designing a solar PV project for the Netherlands development agency SNV, based upon vocational and entrepreneurial training and quality control through a dedicated project logo. In Sierra Leone and Tanzania, we are completing national biomass energy strategies with support from those national governments and the European Union. Also in Tanzania, we continue to promote bulk procurements of solar home systems for rural farmers through our EU-supported Clusters PV Project. We are actively developing new initiatives related to solar PV, women entrepreneurship in clean energy, solar lighting for night time fishing, and improved cookstoves.

In Kenya, the team continues to grow in its business offerings focusing on (i) Climate Change Planning and Policy; (ii) Agriculture, Biomass, Land use and Forestry; and (iii) Rural Energy Development and Energy Services. The Team was recently awarded The Carbon Reduction, Resources and Opportunities Toolkit ("CaRROT") and Draft Voluntary Standards to strengthen Kenya's competitive position in global markets. The team has been awarded "Reduced Emissions through deforestation and forest degradation" – "REDD" – projects in Nepal (identifying and quantifying decreases and increases in forest carbon stocks and to project future trends) and Kenya (supporting the restoration of the Mau forest ecosystem in order to create a suitable basis for its conservation and management as a multiple asset system, to benefit local, national and international stakeholders). In Rwanda, the team has also been working with the Ministry of Infrastructure to developing a sustainable charcoal production CDM Programme of Activities.

REDT Clean Energy Storage

REDT Clean Energy Storage, our joint venture in which we have a 49% economic interest, also has had a transformational year which culminated in the award of the £3.6m contract to build a 1.26MWh utility storage facility on the island of Gigha, Scotland designed to demonstrate a cost effective solution for the UK grid and to benefit long term energy prices in the UK and elsewhere. This followed the successful installation of a demonstration flow battery system in Evora, Portugal which has a 5kW rated power with 12 hours (60kWh) storage capacity.

REDT has developed a robust, reliable and low maintenance energy storage system following more than ten years of research. The REDT battery can be used for a number of applications including increasing the reliability of renewable energy or for off grid energy solutions and comes in a range of power and storage capacities so can be easily integrated with a range of energy systems.

Key features of the renewable energy storage system are:

- **Long Lasting –** the system can handle up to 10,000 cycles, matching the life of a typical renewable energy system.
- **Super-Efficient –** the system retains charge indefinitely when shut down and can discharge down to 0% and charge up to 95% without causing degradation.
- **Safe –** Non-flammable and non-explosive as result of the patented low pressure system design.
- **Environmentally Friendly –** No emissions or heavy metals.
- **Low Maintenance –** the systems only requires annual maintenance checks, and performance can be monitored remotely.

The system in Evora, Portugal will be used to maximise the efficiency of a 6.6kW PV array that has been installed on the roof of the building and will time shift energy with voltage and frequency control so that energy costs are reduced. The system is capable of delivering a high quality domestic 2kW load for 2 to 3 days during periods of low solar output. REDT was selected by the European Commission to build and supply its new flow battery system for the Photovoltaic Cost reduction, Reliability, Operational performance, Prediction and Simulation ("PVCROPS") project, which is administered out of the Polytechnica University of Madrid and is part of the EU Seventh Framework Programme ("FP7").

The objectives of the PVCROPS project are to develop improved methodology, management, efficiency and cost reduction for renewable energy generated from solar PV installations. REDT is working collaboratively on this project with 11 other academic and industry partners from across Europe. This project offers REDT an excellent opportunity to prove its Vanadium Redox Flow Battery ("VRFB") systems in conjunction with the most influential organisations in the European PV industry, and the potential for additional sales volume in this sector throughout Europe with the same partners.

Work has started in earnest on delivering the Gigha project with our partners with first funds drawn down on budget on the project. Our proposed 1.26MWh storage system will be located on the island of Gigha, situated a few miles off the Kintyre peninsula, and with limited connection to the mainland via an ageing subsea cable.

One of the UK's largest opportunities for energy storage lies in Scotland which has a target to produce the equivalent of 100% of electricity from renewables by 2020 and estimates that 7GW of storage could be required by 2030. The REDT energy storage demonstration will focus on one of the weakest areas of the UK grid in the highlands and islands of Scotland where there are significant network constraints – these are the same areas that have such excellent potential for renewable energy generation. These costly-to-alleviate constraints prevent timely and efficient transfer of clean energy to demand customers, place hurdles on national ambition – and represents a great opportunity for REDT products in the UK market and around the world.

Generation and distribution issues to be addressed on Gigha include storage of 'wrong time' wind energy produced by the established wind farm on the island and despatch at peak rates, peak shaving and power regulation, deferral of capital upgrades of over-utilised transmission assets, potential standby power for the island during network faults or power outages, and enabling a minimum 20% increase in wind and solar generation with associated additional income for the island.

The National Grid has an ever increasing need for balancing power to handle wind variability in the UK. The present practice of curtailing wind energy output at times of high output and low demand is costly and ineffective which is ultimately paid for by consumers.

Due to its variability, renewable generation cannot yet be directly compared with conventional generation. REDT flow battery storage has the potential to bring renewable generation into the mainstream, enabling UK energy storage targets to be met and ultimately fixing long term generation costs using clean and free natural fuel.

EU ETS compliance services

The EU ETS compliance services team works with installations covered by the ETS to help them manage their regulatory position. This consists of providing market updates and supplying the requisite number of allowances and offsets for them to meet their emissions obligations, or selling their surplus. Where possible offsets are sourced from the Company's portfolio, from which these installations have historically been buyers. The team also manages the legacy business associated with this portfolio.

CDM carbon business

As indicated in our annual report for 2012, we moved rapidly in 2013 to hibernate our CDM carbon business to avoid further downside risk from the collapse in the CER price which fell 96% in 2012 and barely recovered in 2013. That process was effectively completed through 2013 culminating in a reorganisation involving the disposal of 5 group entities which together held the majority of the Group's provided liabilities and all its contingent liabilities. The hibernation process involved the effective closure of the China office with associated headcount reduction in the region and elsewhere and I wish to take this opportunity of thanking those staff members that have left us for their efforts during their time with the business and for their patience and understanding as we have worked through this situation and those who remain with us for their tireless work and professionalism to protect the ongoing business.

Notwithstanding the CER price fall, we did manage to earn some net carbon gross margin in 2013 which broadly covered the operating expenditure of this area as we worked to wind down the operation. We do not however anticipate a further material contribution in 2014 and beyond.

In these financial statements for 2013 we have recorded a restructuring provision to address the final costs anticipated in closing out this part of the business.

Other activity

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited for consideration of $6.01m in cash, the same as the book value attributed to the holding in 2012. The funds received were used to fund the acquisition of the Twin Falls Facility and for other working capital purposes to exploit the opportunities available in the remaining business units.

Scott McGregor
Chief Executive Officer
27 June 2014

Chief financial officer's report

Overall Group result

The Group reported a significantly reduced total comprehensive loss of €3.8m compared to a loss of €23.2m in 2012 and reported a gross profit of €7.0m compared to a gross profit of €0.1m in 2012.

Gross profit for the carbon business was €3.9m (2012: loss of €2.6m) and gross profit for the projects business was €3.1m (2012: €2.7m).

Revenue rose to €12.3m compared to revenue in 2012 of €6.5m (after taking account of the 2012 carbon fair value adjustment). Revenue for the carbon business was €6.7m (2012: €1.5m after taking account of the 2012 carbon fair value adjustment) and revenue for Projects was €5.6m (2012: €5.0m).

Cost of sales reduced to €5.3m compared to €6.5m in 2012. Cost of sales for the carbon business was €2.8m (2012: €4.1m) and cost of sales for Projects was €2.5m (2012: €2.3m).

Carbon segment

The Carbon segment comprises our CDM carbon business, our US Carbon business and the EU ETS compliance services business.

CDM carbon business

The CDM Carbon business (comprising Certified Emission Reduction units ("CERs") and Voluntary Emission Reduction Units ("ERUs")) recorded revenue of €4.0m in 2013 of which €1.6m related to the unwinding of CER/VER carbon balances held on the balance sheet at the end of 2012 and the remaining €2.4m related to direct activity in 2013. This segment recorded Cost of Sales of €0.2m of which €(0.9)m related to the unwinding of CER/VER carbon balances referred to above and the remaining €1.1m related to direct activity in 2013. This resulted in a gross profit from direct activities in 2013 of €1.3m, the majority of which was represented by cash receipts.

As we have set out at length in this report and previously, the nature of wider CER/VER market means that we are not expecting meaningful revenues in this business to be repeated for 2014 and beyond.

The following table sets out the value of the net CER/VER carbon balances included within Group assets as at 2013 and for prior years 2010-2012:

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

At the end of 2012, the CER Carbon business had an effective net liability position of €5.2m having reduced from a positive value of €5.7m in 2011 and €29.6m in 2010. In addition, at the date of signing the 2012 financial statements in June 2013, a number of fixed price CER carbon purchase agreements were held in various entities across the Group. As a result of the significant decline in the carbon price in 2011 and 2012, these fixed price contracts resulted in a then potential un-provided potential exposure across the Group of €20.7 million. This exposure, which was being experienced across the industry, arose where entities are required to purchase carbon credits under fixed price purchase agreements at a price that is higher than the current market price at which those entities can sell the carbon credits.

As stated in the 2012 financial statements, the Directors considered that they had made adequate provision in those accounts for the costs that were likely to be borne and we are pleased to report that in these 2013 financial statements the Group no longer has potential un-provided exposure to such fixed price CER carbon purchase agreements. This has been achieved through either contract renegotiations or through a reorganisation at the end of 2013 which resulted in various entities across the Group holding certain fixed price CER carbon purchase agreements being disposed for nominal consideration.

At the end of 2013, the potential provided net liability had reduced from €5.2m to €1.0m, a reduction of €4.2m. €0.8m of this reduction resulted from the disposals referred to above with the remaining €3.4m due to diligent work in reducing the net liability position. The Directors will continue to work diligently in reducing the remaining potential provided net liability of €1.0m.

US Carbon

The US Carbon business recorded revenues of €0.8m and cost of sales of €0.6m giving a gross profit of €0.2m. The intangible asset (carbon in specie) balance of €0.3m as at 2012 relating to certain ODS (Ozone Depleting Substances) credits formed part of this cost of sales balance in 2013 as did the revenue of €0.4m received on their sale.

The remaining revenue and cost of sales relates to the sale of credits delivered from the agricultural methane projects for which CCOs had been issued under California Program. In general, the first issuances under California Program have mainly been focused on credits under the Ozone Depleting Substances methodology, with those under agricultural methane methodology only starting to be issued as CCOs towards the end of 2013. The majority of our agricultural methane methodology credits had not had CCOs issued by the end of 2013 but we do expect them to all have first issuances during 2014.

EU ETS compliance services

The EU ETS compliance services business generated a small net margin during the year from revenue and cost of sales of approximately €2.0m each. This small net margin is as expected given the nature of the activity but provides a useful additional cash flow which is expected to be more meaningful in 2014.

Projects segment

The Projects segment comprises our US Clean Energy projects business (being the Jerome Facility and Twin Falls Facility), the Africa Clean Energy Consulting business and other miscellaneous activities.

US Clean Energy projects business

The Jerome Facility was owned and operating for the entire year whereas the Twin Falls Facility was acquired on 20 December 2013 and was only held by the Group for 11 days in 2013.

Revenue for the Jerome Facility was $3.2m (€2.3m) and other income was $0.4m (€0.3m) reflecting the amortization of deferred income in connection with the grant received in 2012. As expected we did see seasonality in the revenue from power generated with the second half of the year benefiting from the higher prices set out in the power purchase agreement. Cost of sales were $1.1m (€0.8m). Administration Expenses were $1.4m (€1.0m) which includes depreciation of $1.2m (€0.8m). Interest expense for the year was $1.0m (€0.8m).

Chief financial officer's report (continued)

At the beginning of 2013, a loan of $14.9m (€11.2m) was secured against the Jerome Facility and this had amortized to $14.3m (€10.4m) at the end of 2013. The Deferred Income balance at the beginning of 2013 of $6.3m (€4.8m) had amortized to $5.9m (€4.3m). Project Plant & Equipment had also reduced from $19.6m (€14.9m) to $18.5m (€13.4m) through depreciation. Finally, the Jerome Facility also had access to cash and restricted cash of $1.5m (€1.1m) (2012: $1.6m (€1.2m)) in total.

On 20 December 2013 the Twin Falls Facility was acquired for gross consideration of $2.9m (€2.1m) equating to net consideration of $2.7m (€2.0m). The acquisition has been accounted for as a business combination and the full value of the net consideration reflected in project plant and equipment at the end of 2013. The income received in 2013 from the Twin Falls Facility was a nominal amount for the 11 days of the year that it was held by the Group.

Africa Clean Energy Consulting business

The Africa Clean Energy Consulting business includes the 5 offices in Africa, the principal ones being Dar es Salaam (Tanzania), Johannesburg (South Africa) and Nairobi (Kenya).

Revenue for the year was €2.9m (2012: €2.5m) and cost of sales was €1.6m (2012: €1.2m). Administration expenses were €1.2m (2012: €1.3m). In addition, there was a €0.1m impairment of receivables. At the end of the year, the Africa Clean Energy Consulting business had work in progress of €0.5m (2012: €0.6m), deferred income of €0.2m (2012: €0.1m) and direct project cost accruals of €0.2m (2012: €0.2m).

Group operating expenses

Overall administration expenses fell by €3.1m from €12.4m to €9.3m, a fall of 25% following a concerted effort to reduce operational costs. Administration expenses include a full year's cost for the Jerome Facility of €1.0m compared with a 6 month charge in 2012 of €0.5m and a 2013 non-cash charge for share based payments of €0.4m (2012: €Nil). Excluding the expenses in connection with the Jerome Facility and the share based payments charge, administration expenses fell by €4.0m from €11.9m to €7.9m, a fall of 34%. Noticeable reductions came from personnel and contractors of 16% (€5.3m (2012: €6.3m), office costs 41% (€1.0m (2012: €1.7m), professional costs (including non-executive director fees) 42% (€1.1m (2012: €1.9m), and travel and marketing 43% (€0.4m (2012: €0.7m).

The efforts to reduce such operational cost have been focused on China (€1.1m (2012: €2.1m), US (€1.7m (2012: €2.3m) and Group/other (€3.9m (2012: €6.1m) (all excluding the Jerome Facility and the share based payments charge) which combined shows a fall of 36%. Administration expenses across our African Clean Energy Consulting business also fell by €0.1m from €1.3m to €1.2m, a fall of 8%.

Year on year operational costs are expected to fall further in 2014 which will show the full year impact of the efforts to reduce cost in 2013. This is particularly the case in China where operational costs are expected to be negligible in 2014.

In addition to the above expenses, the Group recorded a restructuring charge of €0.8m (2012: €0.1m), a gain on disposals of €1.4m (2012: €Nil), impairment of receivables €0.1m (2012: €1.2m). In 2013 there was no impairment of investment in associates and joint ventures (2012: €3.1m), no impairment of goodwill (2012: €0.4m) and impairment of development costs €0.1m (€2.5m).

€0.8m of the gain on disposal reflects the disposal of certain entities as part of the reorganisation at the end of 2013. These entities were disposed for nominal consideration and had a net liability position at the point of disposal which created this gain. The remaining gain on disposal of €0.5m reflects the disposal of Camco South East Asia Limited but should be considered again the equal and opposite share of loss recorded for this entity before the date of disposal.

Cash and cash equivalents

At 31 December 2013, the Group had cash and cash equivalents of €4.5m (2012: €11.1m) with unsecured loans of €Nil (2012: €4.0m). Adjusting for the unsecured loan in 2012 gives an adjusted net cash position at the year-end of €4.5m (2012: €7.1m) as follows:

	2013	2012
	€'000	€'000
Cash and cash equivalents	**4,472**	11,087
Less unsecured loans	**–**	(4,000)
Adjusted net cash	**4,472**	7,087

The adjusted net cash position includes cash held in a debt reserve in relation to the Jerome Facility of €1.0m (2012: €1.0m) which is not available to the Group for general working capital purposes.

The key movements in cash during 2013 were: the repayment of borrowings (€4.7m); receipt of proceeds from the sale of investments (€4.4m) including the sale of Camco South East Asia; net acquisition of plant, property & equipment (€0.7m) which includes the purchase of the Twin Falls Facility (€2.0m) and the disposal of certain other assets (€1.2m); interest paid (€0.8m); loans to joint ventures being REDH (€0.2m); proceeds from the issue of share capital (€0.3m) and a cash absorbed from operations (€4.5m).

On 27 June 2014, the Company announced that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors ("Placing"). In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence (approximately €0.05) per share ("Open Offer").

Both the Placing and the Open Offer are subject to the approval of shareholders at the General Meeting proposed to be held on 15 July 2014.

Other Activities

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited to Khazanah Nasional Berhad for consideration of $6.01m in cash. The Group's interest in Camco South East Asia Limited had a book value of $6.01m as at 31 December 2012. In the period leading up to the disposal on 7 May 2013, the Group's share of loss in Camco South East Asia Limited was €0.5 which is recorded in the Consolidated Statement of Comprehensive Loss but offset by an equivalent gain on disposal with no net impact on the overall group result.

On 13 May 2013 the Group announced that it had agreed to issue 18,449,073 new ordinary shares to Khazanah Nasional Berhad at 1.138 cents per share (1.183 pence) raising €254,875 (£218,252).

Jonathan Marren
Chief Financial Officer
27 June 2014

Directors' report

The Directors present their Directors' report and financial statements for the year ended 31 December 2013 (the "year").

Tax and company status

Camco Clean Energy plc (the "Company") is a public company admitted to AIM, a market operated by London Stock Exchange plc ("AIM"). The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 as a registered public company and regulated by the Jersey Financial Services Commission ("JFSC"). Effective 1 January 2009, Jersey's tax regime changed, the effect of this is limited to the change of status from exempt to liable to Jersey income tax at 0%. The Company will apply for and expects to be granted this status for future years.

Principal activities

The principal activity of the Company and its subsidiaries (together the "Group") is to identify and develop emission reduction and clean energy projects.

Business Review

The Business review of the Group can be found in the consolidated financial statements and Annual Report and Accounts of the Company for the year to 31 December 2013, prepared in accordance with the Companies (Jersey) Law 1991 and the AIM Rules of the London Stock Exchange; in the Chairman's report on page 3; the Chief Executive Officer's report on pages 4 to 9; and the Chief Financial Officer's report on pages 10 to 13 which are incorporated in this report by reference. The Annual Report also provides a description of the principal financial risks and uncertainties facing the Company as well as the risk management objectives and policies that are in place to assist in mitigating the potential impact. Details of the Company's financial risks can be found in Note 22 on pages 59 and 60 to these financial statements.

Results and Dividends

The audited accounts for the Group for the year ended 31 December 2013 are set out on pages 27 to 67. The Group loss for the year after taxation was €3.7m (2012: €23.2m loss). The Board does not recommend the payment of a dividend for the year.

The Directors

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

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

Directors' Liability Insurance and Indemnities

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

Directors' interests

Details of Directors' interests in the Company's shares are shown in Note 30.

Share Capital

The issued share capital of the Company at 1 January 2013 was €1,896,780.93 comprised of 189,678,093 ordinary shares of €0.01. There were no shares held in treasury.

On 13 May 2013, the Company issued 18,449,073 new ordinary shares to Payar Investments Ltd (a wholly owned subsidiary of Khazanah Nasional Berhad).

The issued share capital of the Company at 31 December 2013 was €2,081,271.66 comprised of 208,127,166 ordinary shares of €0.01. There were no shares held in treasury.

Substantial shareholdings

As at 31 May 2014, the following shareholders own more than 3% of the issued share capital of the Company:

	% of issued share capital	**Number of shares**
Payar Investments Ltd (subsidiary of Khazanah Nasional Berhad)	29.9	62,229,986
Clearworld Energy Limited	7.1	14,761,837
Henderson Global Investors	5.6	11,145,000
TD Waterhouse	4.7	9,856,988
Greenergy International Limited	4.1	8,449,359
HSBC Private Bank	3.2	6,596,378

Political and charitable contributions

The Group has made no political or charitable contributions during the year (2012: €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 Group applies, having regard to its size and nature, and so far as it considers practical and appropriate, the principles contained in Part 1 of the Combined Code appended to the Listing Rules published by the UK Listing Authority. The Company continues to monitor developments in the area of corporate governance.

The Board

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

The roles of the Chairman and the Chief Executive Officer

The division of responsibilities between Chairman of the Board and the Chief Executive Officer 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 has formed a Management Committee to enable him to carry out the responsibilities delegated to him by the Board. The Management Committee comprises all executive Directors and senior managers from each business region. The Management Committee meet on a regular basis to consider operational matters and implement the Group's strategy.

The Board's Committees

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

The Audit Committee

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

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

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

- Review of the Group's corporate review procedures and any statement on internal control prior to endorsement by the Board.

The Remuneration Committee

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

The Committee has the following key duties:

- Reviewing and recommending the emoluments, pension entitlements and other benefits of the executive Directors and as appropriate other senior executives; and

- Reviewing the operation of share option schemes and Long Term Incentive Plans and the granting of such options.

The Nomination Committee

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

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

The Company Secretary

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

Relations with shareholders

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

Internal control

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

Risk assessment

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

- The nature and extent of the risks regarded as acceptable for the Company to bear within its particular business;

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

Policies

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

Processes

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

- Review of monthly management accounts with comparison of actual performance against budget; and consideration of the outturn for the year;
- Monthly reconciliation of all control accounts;
- Approval by the Board is required for major investments outside the budget; and
- Segregation of duties between relevant functions and departments.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 22 to 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group has sufficient financial resources together with long-term relationships with a number of customers across different geographic areas and industries. The Group also announced on 27 June 2014 that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors. In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence per share. 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.

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

On 17 September 2013 the Company resolved to appoint KPMG LLP as the Group's auditors for the year ended 31 December 2013.

By Order of the Board

Michael Farrow
Consortia Partnership Limited
Company Secretary

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

27 June 2014

Report of the remuneration committee

Composition and terms of reference

The Remuneration Committee was established on admission to AIM on 25 April 2006 and comprises only independent non-executive Directors. Its members during the year were Zainul Rahim bin Mohd Zain (Chairman) Michael Farrow and Jeffrey Kenna. The Committee's terms of reference take into account the provisions of the Combined Code on corporate governance for smaller companies and ensure that processes designed to retain and remunerate the executive Directors and management are consistent with current best practice.

Directors' remuneration policy

Non-executive Directors

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

Executive Directors

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

During 2013 each of the executive directors waived their contractual entitlement to pension contributions for the entire year.

Directors' remuneration during the year

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

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

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

	2012 Salaries and fees €'000	2012 Benefits in kind €'000	2012 Short-term performance related remuneration €'000	2012 Long-term performance related remuneration €'000	2012 Pension benefits €'000	2012 Total €'000
Executive Directors						
Scott McGregor	254	1	73*	–	5	333
Jonathan Marren	92	1	–	–	5	98
Yariv Cohen (resigned 26/01/12)	46	–	–	–	1	47
Non-executive Directors						
Jeffrey Kenna	74	–	–	–	–	74
Michael Farrow	41	–	–	–	–	41
Dr Herta von Stiegel (resigned 31/12/12)	41	–	–	–	–	41
Paolo Pietrogrande (resigned 29/11/12)	40	–	–	–	–	40
Zainul Rahim bin Mohd Zain	37	–	–	–	–	37
Total	625	2	73	–	11	711

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

Defined contribution retirement benefit plan

The Group operates a defined contribution retirement benefit plan for qualifying Directors and employees. The assets of this plan are held separately from those of the Group. The only obligation of the Group is to make the contributions. As set out above, during 2013 each of the executive directors waived their contractual entitlement to pension contributions for the entire year.

Long-Term Incentive Plan (the "LTIP")

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

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

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

	At 31 December 2012 Share awards outstanding Number	**Granted Number**	**Forfeited Number**	**Vested Number**	**At 31 December 2012 Share awards outstanding Number**	**Price payable (per share) €**
Scott McGregor	**1,500,000**	**–**	**(750,000)**	**(750,000)**	**–**	**0.01**
Jonathan Marren	**–**	**–**	**–**	**–**	**–**	**–**
Total	**1,500,000**	**–**	**(750,000)**	**(750,000)**	**–**	

The share-based payment charge booked in these financial statements for Scott McGregor is €Nil (2012: €500).

The Company's share price at the end of the year was 5.125 pence/€0.060 (2012: 2.125 pence/€0.026). The highest share price in the year was 8.375 pence/€0.101 (2012: 8.25 pence/€0.099) and the lowest 1.025 pence/€0.026 (2012: 2.125 pence/€0.026).

Camco 2006 Executive Share Plan (the "Plan")

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

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

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

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

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

The Company's share price at the end of the year was 5.125 pence/€0.060 (2012: 2.125 pence/€0.026). The highest share price in the year was 8.375 pence/€0.101 (2012: 8.25 pence/€0.099) and the lowest 1.025 pence/€0.026 (2012: 2.125 pence/€0.026).

The share-based payment charge booked in these financial statements for Scott McGregor is €224,000 and Jonathan Marren is €135,000 (2012: €Nil, only in respect of Scott McGregor).

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

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

Directors’ service contracts

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

The Group’s policy is that executive Directors’ notice periods should not exceed one year. Scott McGregor and Jonathan Marren have employment contracts with the Group dated 16 March 2006 and 9 July 2012 respectively and are terminable with 3 months’ notice given by the Group or employee. There are no provisions for compensation for early termination of these contracts, with the exception of change of role in the event of a merger or acquisition.

The tables above comprise part of the audited financial statements.

By Order of the Board

Zainul Rahim bin Mohd Zain
Remuneration Committee Chairman
27 June 2014

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

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

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

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements were to apply to the Group. The Directors have also decided to prepare voluntarily a Corporate Governance Statement as if the Group was required to comply with the Listing Rules and the Disclosure Rules and Transparency Rules of the Financial Services Authority in relation to those matters.

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

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

We have audited the group financial statements of Camco Clean Energy Limited (the "company") for the year ended 31 December 2013 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2013 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU;
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company; or

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

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

8 Salisbury Square
London
EC4Y 8BB

27 June 2014

Notes:

- The maintenance and integrity of the www.camcocleanenergy.com website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 27 June 2014. KPMG LLP has carried out no procedures of any nature subsequent to 27 June 2014 which in any way extends this date.

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

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

Consolidated statement of financial position
At 31 December 2013

	Notes	2013 €'000	Restated 2012 €'000
Non-current assets			
Property, plant and equipment	14	**15,581**	16,558
Intangible assets – carbon in specie		**–**	313
Investments in associates and joint ventures	16	**2,576**	7,181
Other investments	17	**–**	3
Deferred tax assets	11	**32**	22
		18,189	24,077
Current assets			
Prepayments and accrued income	18	**1,452**	1,318
Trade and other receivables	19	**1,368**	1,184
Cash and cash equivalents	20	**4,472**	11,087
		7,292	13,589
Total assets		**25,481**	37,666
Current liabilities			
Loans and borrowings	25	**(492)**	(4,764)
Trade and other payables	21	**(4,162)**	(7,564)
Deferred income	24	**(434)**	(409)
Tax payable		**(239)**	(173)
		(5,327)	(12,910)
Non-current liabilities			
Loans and borrowings	25	**(9,884)**	(10,797)
Deferred income	24	**(4,024)**	(4,489)
		(13,908)	(15,286)
Total liabilities		**(19,235)**	(28,196)
Net assets		**6,246**	9,470
Equity attributable to equity holders of the parent			
Share capital	26	**2,081**	1,897
Share premium		**75,640**	75,565
Share-based payment reserve		**646**	301
Retained earnings		**(72,330)**	(68,583)
Translation reserve		**209**	304
Own shares		**–**	(14)
Total equity		**6,246**	9,470

These financial statements were approved and authorised for issue by the board of directors on 27 June 2014 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 2013

	Notes	2013 €'000	Restated 2012 €'000
Continuing operations			
Revenue:			
Earned in the year	3	**12,305**	15,765
Carbon price fair value adjustment	3	**–**	(9,219)
Revenue		**12,305**	6,546
Cost of sales		**(5,336)**	(6,478)
Gross profit		**6,969**	68
Other income	4	**1,377**	3
Other income – government grant income	24	**276**	118
Administrative expenses	5	**(9,347)**	(12,356)
Impairment of Investment in associates and joint ventures	5	**(3)**	(3,118)
Impairment of Goodwill	5	**–**	(433)
Impairment of development costs	5	**(90)**	(2,500)
Impairment of receivables	5	**(109)**	(1,206)
Restructuring charges	5	**(783)**	(116)
Results from operating activities		**(1,710)**	(19,540)
Financial income	9	**169**	76
Financial expenses	9	**(1,447)**	(1,184)
Net financing expense		**(1,278)**	(1,108)
Share of loss of equity-accounted investees		**(603)**	(2,573)
Loss before tax		**(3,591)**	(23,221)
Income tax (expense)	11	**(84)**	(107)
Loss from continuing operations		**(3,675)**	(23,328)
Discontinued operation			
Loss from discontinued operation (net of tax)	10	**(72)**	(339)
Loss for the year		**(3,747)**	(23,667)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(95)**	(247)
Reclassification from cumulative exchange reserve arising on disposal of subsidiaries		**–**	706
Total comprehensive income for the year		**(3,842)**	(23,208)
Loss for the year attributable to:			
Equity holders of the parent		**(3,747)**	(23,667)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(3,842)**	(23,208)
Basic loss per share in € cents			
From continuing operations	12	**(1.89)**	(12.34)
From continuing and discontinued operations	12	**(1.93)**	(12.52)
Diluted loss per share in € cents			
From continuing operations	12	**(1.89)**	(12.34)
From continuing and discontinued operations	12	**(1.93)**	(12.52)

Consolidated statement of changes in equity

For year ended 31 December 2013

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

Consolidated statement of changes in equity

For year ended 31 December 2012

	Note	2012 Share capital €'000	2012 Share premium €'000	2012 Share-based payment reserve €'000	2012 Retained earnings €'000	2012 Translation reserve €'000	2012 Own shares €'000	2012 Total equity attributable to shareholders of the Company €'000	2012 Total equity €'000
Balance as at 1 January 2012		1,892	75,542	559	(44,916)	(155)	(243)	32,679	32,679
Total comprehensive income for the year									
Loss for the year		–	–	–	(23,667)	–	–	(23,667)	(23,667)
Other comprehensive income									
Reclassification from cumulative exchange reserve arising on disposal of subsidiaries		–	–	–	–	706	–	706	706
Foreign currency transaction differences		–	–	–	–	(247)	–	(247)	(247)
Total comprehensive income for the year		–	–	–	(23,667)	459	–	(23,208)	(23,208)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Share-based payments	7	–	–	(1)	–	–	–	(1)	(1)
Issuance of shares		5	23	–	–	–	(28)	–	–
Own shares		–	–	(257)	–	–	257	–	–
Total contributions by and distributions to owners		5	23	(258)	–	–	229	(1)	(1)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Acquisition & settlement of non-controlling interest		–	–	–	–	–	–	–	–
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–	–
Total transactions with owners		5	23	(258)	–	–	229	(1)	(1)
Balance at 31 December 2012		1,897	75,565	301	(68,583)	304	(14)	9,470	9,470

Consolidated statement of cash flow

For year ended 31 December 2013

	Notes	2013 €'000	Restated 2012 €'000
Cash flows from operating activities			
Cash absorbed by operations	a	**(4,487)**	(6,309)
Income tax paid		**–**	(125)
Net cash outflow from operating activities		**(4,487)**	(6,434)
Cash flows from investing activities			
Disposal of discontinued operations, net of cash disposed of		**(72)**	3,979
Proceed from sales of investments		**4,357**	36
Acquisition of property, plant and equipment	13	**(1,973)**	(1,113)
Disposal of property, plant and equipment		**1,241**	–
Loan to joint venture		**(200)**	(91)
Net cash inflow from investing activities		**3,353**	2,811
Cash flows from financing activities			
Proceeds from the issue of share capital		**259**	28
Proceeds from new loan		**–**	603
Proceeds from Capital Grants		**–**	5,170
Repayment of borrowings		**(4,711)**	(5,080)
Interest received		**11**	–
Interest paid		**(850)**	(537)
Net cash (outflow)/inflow from financing activities		**(5,291)**	184
Net decrease in net cash and cash equivalents		**(6,425)**	(3,439)
Net cash and cash equivalents at 1 January		**11,087**	14,270
Effect of foreign exchange rate fluctuations on cash held		**(190)**	256
Net cash and cash equivalents at 31 December	20	**4,472**	11,087

Consolidated statement of cash flow (continued)

For year ended 31 December 2013

	2013 €'000	Restated 2012 €'000
(a) *Cash flows from operating activities*		
Loss for the period	**(3,747)**	(23,667)
Adjustments for:		
Depreciation	**1,097**	616
Impairment of project plant and equipment	**–**	528
Gain on sale of fixed assets	**(68)**	–
Amortisation of deferred income	**(276)**	(111)
Impairment of investments in associates and joint ventures	**3**	3,118
Carbon price fair value adjustment	**–**	9,219
Impairment loss on CDC assets	**–**	3,203
Impairment of Goodwill	**–**	433
Impairment of receivables	**109**	1,206
Share of loss of equity accounted investees	**603**	2,573
Loss on sale of discontinued operation, net of tax	**72**	339
Gain on sale of investment	**(547)**	(3)
Gain on sale of subsidiary	**(762)**	–
Share-based payment transactions	**359**	1
Income tax expense	**56**	107
Finance cost	**839**	1,129
Foreign exchange loss on translation	**229**	23
Restructuring costs	**783**	116
Impairment loss on development costs	**90**	2,109
Operating cash (outflow)/inflow before movements in working capital	**(1,160)**	939
Changes in working capital		
Decrease in intangible assets	**313**	331
Decrease in prepayments	**103**	522
(Increase)/decrease in trade and other receivables	**(154)**	1,236
Change in CDC accruals and CDC accrued income	**(5,733)**	(2,710)
(Increase)/decrease in accrued income – Non CDC	**(447)**	120
Increase/(decrease) in trade and other payables – Non CDC	**2,591**	(6,747)
Cash generated by operations	**(4,487)**	(6,309)

1. Accounting policies

Camco Clean Energy plc (the "Company") is a public company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of its registered office is Channel House, Green Street, St Helier, Jersey JE2 4UH. The consolidated financial statements of the Company for the year ended 31 December 2013 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 27 June 2014.

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 31.

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

The financial statements have been prepared on the historical cost basis and on a going concern basis.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 22 and 23 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group has sufficient financial resources together with long-term relationships with a number of customers across different geographical areas and industries. The Group also announced on 27 June 2014 that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors. In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence per share. 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. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

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

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

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

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.

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

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

Acquisitions and disposals of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the fair value of the interest in the net assets acquired at the date of exchange. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

The Group applied IAS 27 (2008) in accounting for transactions which result in the loss of control of subsidiaries. Under the accounting policy transactions that result in loss of control are accounted for by derecognising the previously consolidated assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests in the former subsidiary and recognising the retained investment at its fair value at the date when control is lost and any consideration received. The resulting difference, including any related gains or losses previously recognised in other comprehensive income that qualify to be recycled to profit or loss, is recognised in profit or loss as a gain or loss on the disposal.

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

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

Revenue recognition on CDC consultancy services

The Group derives revenue from the provision of consultancy services to carbon project clients under CDCs. The Group receives payment for the services by either cash commission or non-cash carbon credit. Revenue from CDCs is only recognised once the Group's services to secure the production of carbon credits are significantly complete and receipt of the consideration, be it cash or carbon credits, can be forecast reliably. Revenue is recognised once a CDC is registered by a DOE (where payment is due to Camco irrespective of a CDC's registration this criteria will not apply) and Camco has provided significantly all of its services.

The timing of revenue collection is uncertain as carbon credits may be generated over subsequent years as they are issued. The amount and timing of commission or carbon credits to be received may be dependent upon the number of carbon credits received by the customers, which is determined by assessing the specific technical, contract and economic risks identified on the project.

Revenue is recognised at the fair value of the consideration receivable from the contracts, at which point accrued income is recognised. If a CDC will result in a probable net outflow of economic benefit from the Group then this amount will be recognised in accrued expenses. The fair value is the estimated net value of the carbon credits to be received, which is dependent upon the expected number to be delivered and the intrinsic value. If the expected number or value of the carbon credits subsequently changes an adjustment is made to the accrued income balance with an associated credit or debit taken to revenue. The unwinding of any financing element of accrued income is recognised as finance income or expense.

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

Treatment of CDC costs

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

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

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

D. Revenue recognition on other consultancy services

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

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

E. Revenue Recognition on project related income

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

F. *Goodwill*

Subsidiary

Acquisition since 1 January 2009 The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

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

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

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

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

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

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

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

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

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

G. *Intangible assets*

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

Notes (continued)

H. Property, plant and equipment

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

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

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

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

I. Investments in subsidiaries

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

J. Impairment

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

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

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

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

K. Non-current assets held for sale and discontinued operations

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

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement 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.

L. *Foreign exchange*

Foreign currency transactions Transactions in currencies different from the functional currency of the Group entity entering into the transaction are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rate at the date of transaction.

M. *Available-for-sale financial assets*

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

N. *Cash and cash equivalents*

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

O. *Taxation*

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

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

P. *Employee benefits*

Long-Term Incentive Plan and 2006 Plan

The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors) under the Long-Term Incentive Plan and the 2006 Plan. These are measured at fair value at the date of grant, which is then recognised in the income statement on a straight line basis over the vesting year, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model (Black-Scholes or Binomial). In valuing equity-settled transactions, no account is taken of any vesting conditions, other than market conditions linked to the price of the shares of the Company. The charge is adjusted at each balance sheet date to reflect the actual number of shares expected to vest based on non-market performance conditions such as Group profit targets and employment service conditions where appropriate. The movement in cumulative charges since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

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

Defined contribution pension scheme

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

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

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

R. *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.

S. *Earnings per share*

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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.

T. *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.

U. *Accrued income on carbon credits*

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

V. *Government grant*

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

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

W. *Leased assets*

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

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

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

Determining whether an arrangement contains a lease

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

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

X. *Finance income and expense*

Finance income comprises interest income on surplus funds, unwinding of the discount on provisions and accrued costs. Interest income is recognised as it accrues in the 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 the profit or loss using the effective interest method.

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

Y. *Non-derivative financial liabilities*

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

Z. *Prior year restatement*

During the year, the Company adjusted the classification of the US Government Grant received in 2012. In 2012, the grant was classified as deferred income within Current liabilities. Subsequent to the adjustment, €4,489,000 of the deferred income balance has been reclassified to Non-current liabilities.

In 2013, a decision was taken by management to disclose income from the US Government Grant separately. In the Consolidated Statement of Comprehensive Income, €118,000 was reclassified from Revenue to Other Income in 2012.

In 2013, management took the decision to disclosure separately in the Cash Flow Statement, the loan to its joint venture. This resulted in a reclassification of €91,000 in 2012 to Loans to joint ventures.

AA. *New accounting standards and interpretations not yet adopted*

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 10 Consolidated Financial Statements and IAS 27 (2011) Separate Financial Statements (mandatory for year commencing on or after 1 January 2014): This standard is expected to result in additional disclosure in the consolidated financial statements.

- IFRS 11 Joint Arrangements and Amendments to IAS 28 (2008) Investments in Associates and Joint Ventures (mandatory for year commencing on or after 1 January 2014): This standard is expected to result in additional disclosure in the consolidated financial statements.

- IFRS 12 Disclosure of Interests in Other Entities (mandatory for year commencing on or after 1 January 2014). The application will result in additional disclosure in the consolidated financial statements.

2. Segmental reporting

The financial information in these Report and Accounts split our operations into two segments, being Carbon and Projects. Given the growth potential of the business units within Projects and the focus generally away from carbon activity, the Board may in the future, look to report its operations on a different segmental basis.

Operating segments

The Group comprises of the following two reporting segments:

1. **Carbon:** ***The Carbon Project Development*** teams provide CDC consultancy services on carbon asset development, commercialisation and portfolio management.

2. **Projects:** ***The Clean Energy Project Development*** teams collaborate with industry, project developers, equipment providers and investor groups to create emissions-to-energy projects and maximise sustainable energy production across a range of industries; including agricultural methane, industrial energy efficiency, coal mine methane, municipal solid waste, biomass and landfill gas. The teams also provide consultancy services with respect to the clean energy sector.

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

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

Operating segments

	Carbon		Projects		Consolidated	
				Restated		Restated
	2013	2012	**2013**	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000	**€'000**	€'000
Revenue	**6,690**	10,752	**5,615**	5,013	**12,305**	15,765
Re-measurement of past revenue estimates	**–**	(9,219)	**–**	–	**–**	(9,219)
Total segment revenue	**6,690**	1,533	**5,615**	5,013	**12,305**	6,546
Segment gross margin	**3,904**	(2,607)	**3,065**	2,675	**6,969**	68
Other income – gain on disposal	**762**	–	**68**	3	**830**	3
Other income – deferred income	**–**	–	**276**	118	**276**	118
Segment administrative expenses	**(2,601)**	(3,542)	**(3,527)**	(5,379)	**(6,128)**	(8,921)
Restructuring charges	**(783)**	(116)	**–**	–	**(783)**	(116)
Impairment of development costs	**–**	(391)	**(90)**	(2,109)	**(90)**	(2,500)
Impairment of investment	**–**	–	**(3)**	(3,118)	**(3)**	(3,118)
Segment result	**1,282**	(6,656)	**(211)**	(7,810)	**1,071**	(14,466)
Unallocated income – gain on disposal					**547**	–
Unallocated expenses					**(2,860)**	(3,434)
Share-based payments					**(359)**	(1)
Impairment of goodwill					**–**	(433)
Impairment of receivables					**(109)**	(1,206)
Results from operating activities					**(1,710)**	(19,540)
Finance income					**169**	76
Finance expense					**(1,447)**	(1,184)
Share of loss of equity accounted investees					**(603)**	(2,573)
Taxation					**(84)**	(107)
(Loss) from discontinued operation (net of income tax)					**(72)**	(339)
Loss for the year					**(3,747)**	(23,667)
Segment assets	**276**	1,123	**21,579**	25,044	**21,855**	26,167
Other investments	**–**	–	**–**	3	**–**	3
Unallocated assets	**–**	–	**–**	–	**3,626**	11,496
Total assets	**276**	1,123	**21,579**	25,047	**25,481**	37,666
Segment liabilities	**(1,320)**	(9,662)	**(15,725)**	(16,921)	**(17,045)**	(26,583)
Unallocated liabilities	**–**	–	**–**	–	**(2,190)**	(1,614)
Total liabilities	**(1,320)**	(9,662)	**(15,725)**	(16,921)	**(19,235)**	(28,197)
Capital expenditure	**–**	74	**14**	1,645	**14**	1,719
Depreciation	**–**	136	**880**	482	**880**	618
Impairment losses on intangible assets and property, plant and equipment	**–**	–	**–**	528	**–**	528

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

Geographical information

Revenue by geographical region of projects:

	2013 €'000	Restated 2012 €'000
EMEA	**5,479**	892
USA	**3,354**	1,124
ASIA	**3,472**	4,530
Total revenue	**12,305**	6,546

Revenue by domicile of Group entity that owns the projects:

	2013 €'000	Restated 2012 €'000
EMEA	**8,128**	4,295
USA	**3,267**	22
ASIA	**910**	2,229
Total revenue	**12,305**	6,546

The Group derives carbon revenue from the provision of consultancy services to carbon clients under CDCs as well as EU ETS compliance services, where the Group works with clients covered by the ETS to help them manage their regulatory position. With respect to this carbon revenue, the geographic analysis has been prepared based on the geographic location of the project that will generate the carbon credits. This location is not the geographic location of the carbon credit buyer and not necessarily where the services were performed.

Non-current assets by geographical region:

	2013 €'000	2012 €'000
EMEA	**1,817**	2,862
USA	**15,507**	16,647
ASIA	**865**	4,568
Non-current assets	**18,189**	24,077

3. Revenue

By reporting segments:

	2013 €'000	Restated 2012 €'000
Carbon	**6,690**	10,752
Carbon price fair value adjustment	**–**	(9,219)
Projects	**5,615**	5,013
Total revenue	**12,305**	6,546

Due to the carbon price fall in 2012 the accrued income balance was reduced by €9.2m for floating price and unsold contracts. There was no such adjustment required in 2013 as a result of there being no unsold contracts recorded in accrued income at the start of the year.

4. Other income

	2013 €'000	2012 €'000
Net gain on disposal of investment	**547**	3
Net gain on disposal of subsidiaries	**762**	–
Net gain on disposal of fixed asset (Note 14)	**68**	–
Total other income	**1,377**	3

Net Gain on Disposal of Investment

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited, resulting in a gain on disposal of €547,000. See investments Note 16 for details.

In November 2012, the Group disposed of its investment in Hekai Ventures, resulting in a gain on disposal of €3,000.

Net Gain on Disposal of subsidiaries

In December 2013, the Group disposed of 95% of its shareholding in Camco Advisory Services (Hong Kong) Limited resulting in a gain on disposal of €762,000. The sale was made to a related party as explained in Note 28.

Prior to the sale, the ownership of four of the Group's subsidiary special purpose companies were transferred from the Company to Camco Advisory Services (Hong Kong) Limited. All assets and liabilities held by these companies were disposed of upon completion of the sale.

Camco Advisory Services (Hong Kong) Limited was sold for $14. The special purpose companies transferred to Camco Advisory Services (Hong Kong) Limited were together in net liability positions at the date of disposal, therefore resulting in a gain on disposal recognised in the Group's Statement of Comprehensive Income. In addition, the disposal of Camco Advisory Services (Hong Kong) Limited reduced the net liability position of the Group relating to the CDM Carbon Business by €0.8m and removed the Group's remaining contingent liability of €18.5m for potential unprovided exposure to fixed price CER carbon purchase agreements.

5. Expenses and auditor's remuneration

Included in comprehensive income are the following:

	2013 €'000	2012 €'000
Depreciation of property, plant and equipment – owned assets	**1,097**	618
Impairment loss of project plant and equipment (see Note 14)	**–**	528
Share-based payments	**359**	1
Impairment of investment (see Note 17/Note 16)	**3**	3,118
Impairment of goodwill (see Note 15)	**–**	433
Impairment of development costs	**90**	2,500
Impairment of receivables (see Note 23)	**109**	1,206
Other expenses – restructuring charges	**783**	116

The restructuring charges above relate to China operations and carbon segments.

Services provided by the Group's auditor:

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

	2013 €'000	2012 €'000
Audit of these financial statements	**97**	115
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**17**	29
Non-audit services	**–**	3
Total services	**114**	147

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

6. Staff numbers and costs

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

	Number of employees	
	2013	2012
Carbon	**15**	46
Projects	**54**	59
Group	**9**	22
	78	127

The aggregate payroll costs of continuing operations were as follows:

	2013 **€'000**	2012 €'000
Wages and salaries*	**4,603**	5,615
Share-based payments (see Note 7)	**359**	1
Social security costs	**348**	621
Contributions to defined contribution plans	**–**	93
	5,310	6,330

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

* Included within wages and salaries is €163,764 of redundancy payments (2012: €13,000).

7. Share-based payments

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

	2013 **€'000**	2012 €'000
Long-Term Incentive Plan	**–**	1
Camco 2006 Executive Share Plan	**359**	–
	359	1

Long-Term Incentive Plan

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting years after 31 December 2011 and 2012 and upon certain market and non-market performance conditions being met for the reporting years ending 31 December 2012 and 2013. The Board now considers the LTIP closed and accordingly no further awards were made during the year. All outstanding awards either vested or were forfeited during the year as follows:

	2013 **Number of options**	2012 Number of options
Outstanding at the beginning of the year	**1,500,000**	7,000,000
Granted during the year	**–**	–
Forfeited during the year	**(750,000)**	(5,000,000)
Vested during the year	**(750,000)**	(500,000)
Outstanding at the end of the year	**–**	1,500,000
Exercisable at the end of the year	**750,000**	251,463

Options outstanding at the end of the year

	2013	2012
Weighted average share price at grant (€ cents)	**–**	19.4
Weighted average fair value of option (€ cents)	**–**	2.2
Exercise price (€ cents)	**–**	1.0
Weighted average life at grant (years)	**–**	3.1

The 750,000 options which have vested and are now capable of exercise must be exercised by 31 December 2014 failing which they will lapse. These shares are exercisable at €0.01 per share.

Camco 2006 Executive Share Plan (the "Plan")

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

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

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

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

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

	2013 Number of options	2012 Number of options
Outstanding at the beginning of the year	**–**	–
Granted during the year	**16,650,172**	–
Forfeited during the year	**–**	–
Vested during the year	**–**	–
Outstanding at the end of the year	**16,650,172**	–
Exercisable at the end of the year	**–**	–

Options outstanding at the end of the year

	2013	2012
Weighted average share price at grant (€ cents)	**3.3**	–
Weighted average fair value of option (€ cents)	**2.8**	–
Exercise price (€ cents)	**1.0**	–
Weighted average life at grant (years)	**10.0**	–

8. Retirement obligations

Defined contribution plans In the UK, the Group operates two 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 €Nil (2012: €93,000), which represents the contributions paid to the plan. There were no outstanding payments due to the plan at the balance sheet date.

9. Net finance income

	2013 €'000	2012 €'000
Finance income		
Interest on bank deposits	**6**	45
Unwinding of discount on accrued revenue	**5**	3
Foreign exchange movements – unrealised	**158**	28
	169	76
Finance expense		
Interest on borrowings	**(777)**	(811)
Other interest	**(73)**	(352)
Foreign exchange movements – realised	**(597)**	(21)
	(1,447)	(1,184)
Net finance expense	**(1,278)**	(1,108)

10. Non-current assets held for sale and discontinued operations

On 15 January 2012, the Company sold its entire UK advisory division, consisting of Camco Advisory Services Limited (UK) and its subsidiaries. In November 2011 the Company was committed to a plan to sell this division due to streamlining its focus on core geographical and business areas. The related assets and liabilities were classified as held for sale at 31 December 2011. No re-measurement gain or loss was recognised as the disposal group's carrying value was lower than its fair value less costs to sell.

Camco Advisory Services Limited (UK) was sold for a total maximum consideration of £4.5m comprising an initial £3.25m paid on closing (which was subject to a completion accounts procedure, which resulted in a reduction of €542,000) and up to £1.25m over the two years to 2014 through an earn-out structure.

During 2013 the Company made a payment of €72,000 in order to settle a warranty claim regarding the sale.

	2013 €'000	2012 €'000
Results of discontinued operations		
Revenue	–	203
Expenses	–	(167)
Results from operating activities	–	36
Tax credit on profit	–	–
Profit for the year	–	36
Loss on sale of discontinued operation	**(72)**	(375)
(Loss) for the year from discontinued operations	**(72)**	(339)
Basic earnings per share in € cents	**(0.04)**	(0.18)
Diluted earnings per share in € cents	**(0.04)**	(0.18)
Cash flows used in discontinued operations		
Net cash used in operating activities	**(72)**	(111)
Net cash used in investing activities	–	–
Net cash from financing activities	–	–
Net cash used in discontinued operations	**(72)**	(111)

11. Taxation

Recognised in the income statement

	2013 €'000	2012 €'000
Current tax expense:		
Jersey corporation tax	–	–
Foreign tax	**94**	55
Adjustments recognised in the current year in relation to the current tax of prior years	–	(58)
	94	(3)
Deferred tax expense:		
Movement in deferred tax asset in current year	**(10)**	110
Total income tax in the income statement	**84**	107

The tax charge for the period is higher (2012: higher) than the 0% rate of corporation tax in Jersey and the differences are explained below:

Reconciliation of effective tax rate

	2013 €'000	2012 €'000
Loss before tax	**(3,591)**	(23,221)
Loss before tax multiplied by 0% rate of corporation tax in Jersey (2012: 0%)	**–**	–
Effects of:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(9)**	105
Non-deductible expenses/(income)	**58**	(176)
Change in temporary timing differences	**18**	76
Recognition of previously unrecognised tax losses	**(17)**	–
Deferred tax not recognised	**(17)**	160
Unutilised losses carried forward	**51**	–
Adjustments recognised in the current year in relation to prior years	**–**	(58)
Total income tax charge in the income statement	**84**	107

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 2013, the Group had UK tax losses carried forward for utilisation in future periods for continuing operations amounting to €1,841,000 (2012: €1,161,000). Within subsidiaries where future profits are expected to arise deferred tax assets have been recognised. However, in other subsidiaries, due to the uncertainty as to the timing and extent of future profits no deferred tax assets have been recognised in respect of these tax losses carried forward.

Deferred tax

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

	2013 €'000	2012 €'000
Deferred tax asset at 1 January	**22**	132
Foreign exchange movement	**–**	7
Current year credit	**10**	(117)
Deferred tax asset 31 December	**32**	22

Deferred tax asset comprises of:

	2013 €'000	2012 €'000
Share options	**4**	12
Accelerated capital allowances	**28**	10
Net Deferred tax asset 31 December	**32**	22

12. Loss per share

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

	2013 € cents per share	2012 € cents per share
Basic loss per share		
From continuing operations	**(1.89)**	(12.34)
From continuing and discontinued operations	**(1.93)**	(12.52)
Diluted loss per share		
From continuing operations	**(1.89)**	(12.34)
From continuing and discontinued operations	**(1.93)**	(12.52)
	€'000	€'000
Loss used in calculation of basic and diluted loss per share		
From continuing operations	**(3,675)**	(23,328)
From continuing and discontinued operations	**(3,747)**	(23,667)
Weighted average number of shares used in calculation		
Basic	**194,316,128**	189,018,078
Diluted	**194,316,128**	189,018,078

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

	2013 Number	2012 Number
Number in issue at 1 January	**189,678,093**	189,178,093
Effect of own shares held	**–**	(1,427,655)
Effect of share options exercised	**–**	985,448
Effect of shares issued in the year	**4,638,035**	282,192
Weighted average number of basic shares at 31 December	**194,316,128**	189,018,078

13. Acquisition

On 20 December 2013, the Group completed the acquisition of the Twin Falls Facility from Cargill Incorporated, for a combined 100% interest. Total net consideration under the Sale and Purchase Agreement was €1.97 million ($2.7 million). The entire consideration was settled in cash.

The fair values of identifiable assets and liabilities acquired by the Group were as follows:

	Fair value to the Group €'000
Project plant and equipment assets	**1,907**
Other receivables	**18**
Power reimbursements (prepayments)	**48**
Fair value of share of net identified assets and liabilities	**1,973**
Total consideration	**1,973**
Goodwill recognised on acquisition	**–**

Acquisition related costs amounting to €65,281 ($90,049) were recognised as an expense and were included in administrative expenses in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2013.

14. Property, plant and equipment

Computer and office equipment

	2013 €'000	2012 €'000
Cost at 1 January	**1,312**	1,266
Additions	**44**	48
Disposals	**(780)**	–
Reclassification	**(219)**	–
Effect of movements in foreign exchange	**(6)**	(2)
Cost at 31 December	**351**	1,312
Accumulated depreciation at 1 January	**(1,027)**	(833)
Charge for the year	**(152)**	(195)
Disposals	**899**	–
Effect of movements in foreign exchange	**4**	1
Accumulated depreciation at 31 December	**(276)**	(1,027)
Net book value at 1 January	**285**	433
Net book value at 31 December	**75**	285

Leasehold improvements

	2013 €'000	2012 €'000
Cost at 1 January	**688**	578
Additions	**3**	106
Disposals	**(689)**	–
Effect of movements in foreign exchange	**(2)**	4
Cost at 31 December	**–**	688
Accumulated depreciation at 1 January	**(504)**	(439)
Charge for the year	**(93)**	(61)
Disposals	**595**	–
Effect of movements in foreign exchange	**2**	(4)
Accumulated depreciation at 31 December	**–**	(504)
Net book value at 1 January	**184**	139
Net book value at 31 December	**–**	184

Construction in Progress

	2013 €'000	2012 €'000
Cost at 1 January	**1,752**	15,416
Additions	**–**	1,593
Transfers	**–**	(15,255)
Disposals	**(1,752)**	–
Effect of movements in foreign exchange	**–**	(2)
Cost at 31 December	**–**	1,752
Accumulated depreciation and impairment losses at 1 January	**(528)**	–
Impairment Loss	**–**	(528)
Disposal	**528**	–
Accumulated depreciation and impairment losses at 31 December	**–**	(528)
Net book value at 1 January	**1,224**	15,416
Net book value at 31 December	**–**	1,224

Construction in progress ("CIP") During 2013, the Group sold the project equipment held as CIP, resulting in a gain on disposal of $94,000 (€68,000). At the time of sale the equipment was still not yet operational and was therefore not reclassified to project equipment prior to disposal.

Project plant and equipment

	2013 €'000	2012 €'000
Cost at 1 January	**15,228**	–
Acquired through business combination (Note 13)	**1,907**	–
Transfers	**–**	15,255
Reclassification	**148**	–
Effect of movements in foreign exchange	**(675)**	(27)
Cost at 31 December	**16,608**	15,228
Accumulated depreciation at 1 January	**(363)**	–
Charge for the year	**(852)**	(362)
Reclassification	**71**	
Effect of movements in foreign exchange	**42**	(1)
Accumulated depreciation at 31 December	**(1,102)**	(363)
Net book value at 1 January	**14,865**	–
Net book value at 31 December	**15,506**	14,865

Total property, plant and equipment

	2013 €'000	2012 €'000
Cost at 1 January	**18,980**	17,260
Acquired through business combination	**1,907**	–
Additions	**47**	1,747
Disposals	**(3,221)**	–
Reclassification	**(71)**	–
Effect of movements in foreign exchange	**(683)**	(27)
Cost at 31 December	**16,959**	18,980
Accumulated depreciation and impairment losses at 1 January	**(2,422)**	(1,272)
Charge for the year	**(1,097)**	(618)
Disposals	**2,022**	–
Impairment loss	**–**	(528)
Reclassification	**71**	–
Effect of movements in foreign exchange	**48**	(4)
Accumulated depreciation and impairment losses at 31 December	**(1,378)**	(2,422)
Net book value at 1 January	**16,558**	15,988
Net book value at 31 December	**15,581**	16,558

15. Intangible Assets

Goodwill

	2013 €'000 Goodwill	2012 €'000 Goodwill
Cost at 1 January	**12,093**	12,093
Reclassified to assets held for sale	**–**	–
Cost at 31 December	**12,093**	12,093
Amortisation and impairment losses at 1 January	**(12,093)**	(11,660)
Impairment loss	**–**	(433)
Accumulated amortisation & impairment losses at 31 December	**(12,093)**	(12,093)
Net book value at 1 January	**–**	433
Net book value at 31 December	**–**	–

Carbon in specie

At 31 December 2013 the Group held carbon credits with a market value of €Nil (2012: €313,000) in its registry accounts.

16. Investments in Associates and Joint Ventures

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

	CSEA €'000	AG Power LLC €'000	REDH €'000	ESD Biomass €'000	Total €'000
Balance at 1 January 2013	4,548	–	2,633	–	7,181
Share of loss	(547)	–	(56)	–	(603)
Disposals	(3,853)	–	–	–	(3,853)
Foreign exchange movement	(148)	–	(1)	–	(149)
Balance as 31 December 2013	**–**	**–**	**2,576**	**–**	**2,576**

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited for consideration of $6.01m in cash. The Group's interest in Camco South East Asia Limited had a book value of $5.29m resulting in a gain on sale of $711,000 (€547,000).

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

2013	**Investment**	**Holding**	**Total assets €'000**	**Total liabilities €'000**	**Net assets €'000**	**Revenue €'000**	**Expenses €'000**	**Profit/ (loss) €'000**
AG Power LLC	**Joint Venture**	**40%**	**921**	**–**	**921**	**–**	**(31)**	**(31)**
ESD Biomass Ltd	**Joint Venture**	**50%**	**–**	**(74)**	**(74)**	**–**	**–**	**–**
REDH	**Joint Venture**	**53.8%**	**3,789**	**(1,708)**	**2,081**	**603**	**(703)**	**(100)**

2012	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit/ (loss) €'000
CSEA	Joint Venture	60.1%	20,237	(7,554)	12,683	4	(3,312)	(3,308)
AG Power LLC	Joint Venture	40%	935	–	935	–	(1,517)	(1,517)
ESD Biomass Ltd	Joint venture	50%	–	(83)	(83)	–	–	–
REDH	Joint Venture	53.8%	3,172	(985)	2,187	–	(52)	(52)

The Group has made no provisions in respect of ESD Biomass Ltd and AG Power LLC as there is no constructive or legal obligation for the Group to settle any future liabilities on their behalf. Hence these investments which have nil or net liabilities are not recognised in these financial statements.

17. Other investments

	2013 €'000	2012 €'000
Net book value at 1 January	**3**	3
Impairment	**(3)**	–
Net book value at 31 December	**–**	3

During 2013, the investment was reviewed for impairment based on its fair value. The carrying value of the investment was higher than its fair value, therefore the investment was impaired.

The available for sale investments held at 31 December 2013 are listed below. The investments are recorded at fair value.

	Holdings	2013 €'000	2012 €'000
Energy Mixx AG	**0.02%**	**–**	3
Carrying Value at 31 December		**–**	3

18. Prepayments and accrued income

	2013 €'000	2012 €'000
Prepayments	**164**	230
Accrued income – CDC accruals	**265**	516
Accrued income – US Carbon from Jerome Facility	**503**	–
Accrued income – other	**520**	572
	1,452	1,318

19. Trade and other receivables

	2013 €'000	2012 €'000
Trade receivables	**611**	701
Other receivables	**535**	483
Cash on deposit against bank guarantee	**222**	–
	1,368	1,184

20. Cash and cash equivalents

	2013 €'000	2012 €'000
Cash on deposit	**3,492**	10,057
Cash held for restricted use*	**980**	1,030
Cash and cash equivalents in the cash flow statement	**4,472**	11,087

* Included within cash and cash equivalents is a debt reserve balance of €980,000 (2012: €1,030,000) in relation to the Jerome Facility.

21. Trade and other payables

	2013 €'000	Restated* 2012 €'000
Trade payables and non CDC accruals	**2,917**	1,839
Other accruals – CDC accruals	**1,245**	3,175
Payment on account received	**–**	2,550
	4,162	7,564

* The prior year numbers were restated to reclassify the non-current portion of deferred income previously held as a current liability into non-current liabilities.

22. Financial risk management

The Group Financial Risk Management framework addresses the following key risks:

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

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

Price risk The Group manages the carbon price risk exposure where it can through forward sales of the credits it is due to receive.

Counterparty Credit risk Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from the Group's operating activities, primarily its receivables from customers. The Group has implemented a credit scoring process for all new customers (and existing customers of a certain size) that highlights credit risk and aids the prevention of bad debt. Credit risk is analysed further in Note 23.

Liquidity risk Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to maintain sufficient funds on call to meet these requirements as they fall due with the rest of cash on term deposit in the relevant currencies as set out below. Liquidity risk is analysed further in Note 23.

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

Cash and cash equivalents

	Euro €'000	Sterling €'000	US Dollar €'000	Chinese Yuan €'000	South Africa €'000	Other €'000	Total €'000
Balances at 31 December 2013	**720**	**112**	**3,019**	**575**	**20**	**26**	**4,472**
Balances at 31 December 2012	7,826	1,226	1,789	167	66	13	11,087

The Group also faces exposure on other assets and liabilities such as intercompany debt and investments. The majority of this exposure is to the USD and GBP exchange rate. At the balance sheet date, a 5% movement, either positive or negative, in these rates would result in a €165,000 and €149,000 unrealised income statement gain or loss, respectively.

Interest rate risk The Group has €10.4m (2012: €11.3m) of borrowing in form of a secured loan and unsecured loan of €Nil (2012: €4m) over which interest is charged. All loans have a fixed rate interest charge in 2013 and 2012. Secured loans are secured against the assets and operations of the Jerome Facility. The Directors consider interest rate risk to be immaterial due to the fixed nature of the interest rate on the loans themselves. The majority of the Group's cash is deposited at a competitive money market rate based on LIBOR.

Fair value of financial assets and liabilities The Directors are of the view that there is no material difference between the carrying values and fair values of the Group's financial assets and liabilities.

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

23. Financial Instruments

Credit risk

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

	2013	2012
	€'000	€'000
Trade and other receivables	**1,368**	1,184
Cash on deposit	**4,472**	11,087
	5,840	12,271

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

	2013	2012
	€'000	€'000
EMEA	**1,032**	503
USA	**336**	497
ASIA	**–**	184
	1,368	1,184

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

	2013	2012
	€'000	€'000
Current	**252**	376
Past due under 30 days	**213**	130
Past due between 31 and 120 days	**399**	353
Past due between 121 and 1 year	**329**	70
Past due more than 1 year	**175**	255
	1,368	1,184

Impairment losses

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

	2013 €'000	2012 €'000
Balance at 1 January	**1,206**	–
Written off against provision	**(1,152)**	–
Increase in provision	**109**	1,206
Balance at 31 December	**163**	1,206

Liquidity risk

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

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

Non-derivative financial instruments

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

Non-derivative financial instruments

	Carrying 2012 €'000	Contrac-tual 2012 €'000	1 year or less 2012 €'000	1–2 years 2012 €'000	2–3 years 2012 €'000	3–4 years 2012 €'000	More than 4 years 2012 €'000
Secured loans	11,561	(11,535)	(738)	(480)	(515)	(551)	(9,251)
Unsecured Loans	4,000	(4,000)	(4,000)	–	–	–	–
Non CDC trade and other payables	1,839	(1,839)	(1,839)	–	–	–	–
CDC Accruals	3,175	(3,175)	(3,175)	–	–	–	–

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

24. Deferred Income

	2013 €'000	Restated* 2012 €'000
Non-current liabilities		
Deferred income – grant	**4,024**	4,489
	4,024	4,489
Current liabilities		
Deferred income – grant	**276**	288
Deferred income – other	**158**	121
	434	409

* The prior year numbers were restated to reclassify €4,489,000 of deferred income previously held as a current liability into non-current liabilities.

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

25. Loans and borrowings

	Currency	Nominal Rate	Maturity	2013 €'000	2012 €'000
Non-current liabilities					
Secured loans*	USD	Various	2018	**9,884**	10,797
				9,884	10,797
Current liabilities				**€'000**	€'000
Unsecured loans	EUR	Various	2013	**–**	4,000
Secured loans*	USD	Various	2013	**492**	760
Other liabilities	GBP	Various	2013	**–**	4
				492	4,764

* The secured loan of €10,376,000 (€492,000 current and €9,884,000 non-current) is secured against the assets and operations of the Jerome Facility.

26. Issued share capital and reserves

	Number 2013 '000	2013 €'000	Number 2012 '000	2012 €'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	**189,679**	**1,897**	189,179	1,892
Issued in the year	**18,449**	**184**	500	5
Issued at 31 December	**208,128**	**2,081**	189,679	1,897

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In May 2013, the Company issued 18,449,073 ordinary shares with a value of €184,491.

Share-based payment reserve

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

Translation reserve

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

Own shares

The reserve for the Group and Company's own shares comprises of the cost of the Company's shares held by the Group.

27. Financial commitments

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

Operating lease commitments

	2013	2012
	€'000	€'000
Less than one year	**215**	328
Between 1 year and 5 years	**165**	263
	380	591

The leases relate to rent for properties within the Group.

28. Related parties

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

Shareholders and related business partners

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

Mike Ashburn is a director of ClearWorld Energy Limited ("CWE"), who holds a significant interest in the Company, and was a director of Camco South East Asia Ltd (joint venture) until 1 August 2012. The amounts charged to administration expenses in respect of these services are shown in the table below.

Income statement

	2013 €'000	2012 €'000
Administrative expenses:		
Consortia Partnership Limited	**36**	83
Mike Ashburn	**–**	27

Balance sheet

	2013 €'000	2012 €'000
Trade and other payables:		
Consortia Partnership Limited	**–**	2
KWI Consulting AG	**–**	5

On 7 May 2013 the Company sold its entire 60.1% interest in Camco South East Asia Limited for consideration of $6.01m to Khazanah Nasional Berhad ("Khazanah").

At the time of the sale, Khazanah had a significant interest in the Company, owning 23.08%. In addition, the Company issued 18,449,073 new ordinary shares to Khazanah at 1.138 cents per share (1.183 pence), taking their interest to 29.9%.

In December 2013, the Group disposed of 95% of its shareholding in Camco Advisory Services (Hong Kong) Limited. Prior to the sale, the ownership of four of the Group's subsidiary special purpose companies were transferred from the Company to Camco Advisory Services (Hong Kong) Limited. The sale was made to an overseas member of the management team, who continues to work in the business at the date of these accounts. Details of the disposal are set out in Note 4.

Key management personnel

The Group's key management personnel comprise the Board of Directors whose emoluments are shown in the Report of the Remuneration Committee. Directors' interests in the shares of the Company are disclosed in Note 30.

Equity accounted investees and joint ventures

The net amounts receivable from equity accounted investees and joint ventures is €386,772 (2012: €92,753), of which €199,813 was issued as a loan during the year. No amounts are receivable or payable to other joint venture participants.

The income statement impact of transactions with equity accounted investees and joint ventures in the year is €110,636 (2012: €8,742).

29. Group entities

Significant subsidiaries

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

Investment	Country of incorporation	Principal activity	Ownership 2013	Ownership 2012
Direct subsidiary undertakings				
Camco Services (UK) Limited	England & Wales	Support Services	**100%**	100%
Camco (Mauritius) Limited	Mauritius	Holding company	**100%**	100%
Camco Holdings UK Limited	England & Wales	Holding company	**100%**	100%
Camco Carbon Credits Limited	Jersey	Disposed	**0%**	100%
Camco Credit Pool Limited	Jersey	Disposed	**0%**	100%
Camco Sales Limited	England & Wales	Carbon Sales	**100%**	100%
Camco Voluntary Credits Limited	Jersey	Carbon contractor	**100%**	100%
Camco Yangquan Limited	Jersey	Disposed	**0%**	100%
Camco Carbon Ltd	Jersey	Disposed	**0%**	100%
Indirect subsidiary undertakings				
Camco International Carbon Assets Information Consulting (Beijing) Co. Ltd.	The People's Republic of China	Business Services	**100%**	100%
Camco Asset Management Company (Proprietary) Limited	Republic of South Africa	Business services	**100%**	100%
Camco Ventures Limited	England & Wales	Research & Consultancy Energy Storage	**100%**	100%
Re-Fuel Technology Limited	England & Wales	Research & Development	**71%**	71%
Camco International Group, Inc.	United States of America	Business services	**100%**	100%
Camco Advisory Services (Kenya) Limited	Kenya	Consultancy	**100%**	100%
Camco Advisory Services (Tanzania) Limited	Tanzania	Consultancy	**100%**	100%
Camco Advisory Services (Hong Kong) Limited	Hong Kong	Disposed	**5%**	100%
Camco Advisory Services (Beijing) Limited	China	Research & Consultancy	**100%**	100%
Camco Offsets I LLC	USA	Carbon contractor	**100%**	100%
Camco Advisory Services West Africa Sarl	Togo	Consultancy	**100%**	0%
AG Power Jerome LLC	United States of America	AG Methane project development	**100%**	100%
AG Power Visalia LLC	United States of America	AG Methane project development	**100%**	100%
AgInvestors I LLC	United States of America	Clean Energy Development	**100%**	100%
Ag Power DCD LLC	United States of America	Clean Energy Development	**100%**	0%

30. Directors' share interests

	Number 2013	2012
Executive Directors		
Scott McGregor	**4,241,592**	1,587,746
Jonathan Marren	**3,310,892**	–
Non-executive Directors		
Jeffrey Kenna	**2,037,830**	2,216,602
Michael Farrow	**81,158**	81,158

The beneficial interests of the Directors in the ordinary share capital of the Company are shown above. In addition, certain of the executive Directors have conditional rights to acquire shares arising from awards granted under the Long-Term Incentive Plan. These awards are detailed in the Report of the Remuneration Committee on pages 20 to 23.

31. Accounting estimates and judgements

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

For the majority of 2013, the estimates surrounding CDCs were no longer applicable.

Recoverability of work in progress CDCs

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

The key assumptions made in this calculation relate to amount and timing of cash flows.

Fair value of consideration receivable under CDCs

Revenue is recognised from the provision of consultancy services to clients. Consideration receivable is a non cash consideration success fee contract in the form of commission share or receipt of carbon credits. The key assumptions made in this calculation relate to the amount and timing of cash flows (project development risk and price risk, see Note 22).

However, due to the significant fall in the CER carbon price, the Directors have therefore taken the view that CER carbon market is no longer liquid and revenue cannot be reliably measured and as a result not recognised value for carbon credits in the balance sheet at the year end and have therefore taken the decision to write off all outstanding balance other than in certain limited circumstances.

The project development risk is managed by the Group's internal control systems to forecast and maximise delivery of carbon credits. The forecast production of carbon credits is adjusted for specific technical, counterparty and economic risks identified on the project. The Group has considered the enforceability of CDC's, considering operational facts and commercial considerations and includes in its accounts the Director's best estimate of the amounts required for contract restructuring. Given the current market price of carbon, and the nature of the Group's contracts, the Group in recognising the fair value of consideration receivable has considered the ability to convert the contract into cash and include consideration of regulatory risk and liquidity. The carbon credit price used in the calculation is a contracted sales price.

Future service costs

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

Investments in associates and joint ventures

Certain investments held have been classified as joint ventures despite the Group shareholding. The reasons for this are outlined in Note 16.

32. Post balance sheet events

On 27 June 2014, the Company announced that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors (“Placing”). In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence (approximately €0.05) per share (“Open Offer”).

Both the Placing and the Open Offer are subject to the approval of shareholders at the General Meeting proposed to be held on 15 July 2014.