Kedco | Renewable Energy

Press release **28 March 2013**

Kedco plc

("Kedco," the "Group" or the "Company")

Interim results for the six months to 31 December 2012

RENEWABLE ENERGY GROUP KEDCO REPORTS AN INCREASE OF 97MW IN ITS DEVELOPMENT PORTFOLIO

Kedco plc (AIM:KED), the renewable energy group focusing on the production of clean energy in the UK and Ireland, today announces its interim results for the six months to 31 December 2012.

Operational Highlights

- Completed initial commissioning of Newry Biomass CHP Plant and commenced the sale of electricity under a Power Purchase Agreement
- Completed balance sheet restructuring which repositioned the Group for growth and allowed the Group to focus on driving value creation in its portfolio
- Completed the disposal of the non-core Latvian subsidiary as part of the restructuring process
- Completed the acquisition of Reforce Energy Limited ("Reforce"), a project developer with 60 active projects and a capacity in excess of 40MW at various stages of development in the UK and Ireland
- Application made for connection to the grid for the fully consented 500kW Altilow Wind project in Donegal Ireland

Financial Highlights

- Group revenue of €1.8 million (H1 2011 restated: € 7.4 million)
- Administrative costs of €0.76 million (H1 2011 restated: €0.7 million)
- Loss for the period from continuing operations of €1 million (H1 2011 restated: Loss of €0.7 million)

Post-period end events

- Signed Heads of Terms with Londonderry Port and Harbour Commissioners for the proposed construction of a 25MW Biomass CHP power plant

- Commenced pre-planning process for a 4MW extension to the Newry Biomass project which will bring the total capacity of the Newry Plant up to 8MW once all phases fully constructed
- Co-Development Agreement signed for three windfarm projects in the north west of Ireland with total capacity of up to 30MW
- Received planning permission for the 500kW Moneygorm Wind project in County Cork, Ireland
- Received a number of offers in relation to financing the Enfield Project and appointed N+1 Singer as equity advisor in respect of the project

Gerry Madden, Chief Executive Officer of Kedco, commented:

"During the period, we have successfully completed the restructuring of the Group's balance sheet and set a clear objective of being a major player in the renewable energy sector in the UK and Ireland.

"The Company started the period under review with 28MW in its pipeline. We are pleased to have added 97MWs to our development portfolio since 30 June 2012 through the acquisition of Reforce Energy as well as further organic growth.

"The Board continues to identify many opportunities in the sector and it is our view that consolidation of small to medium size players in the market will increase over the coming years. The Board believes that as a publicly quoted entity, Kedco is well positioned to capitalise on this trend should the right opportunities, which add value for shareholders, present themselves.

"The Company continues to make good progress with our existing portfolio of renewable energy generation projects with all projects progressing to plan. The Board looks forward to updating shareholders regularly on the Company's progress during 2013."

- Ends -

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About Kedco plc

Kedco Group is a renewable energy portfolio developer and operator whose business strategy is to identify, develop, build, own and operate renewable energy electricity and heat generation plants in the UK and Ireland.

The Group possesses significant knowledge of renewable energy markets, clean technologies, fuel sources, project development, project finance and project delivery.

Kedco was admitted to trading on AIM, a market operated by the London Stock Exchange, in October 2008 (AIM:KED).

www.kedco.com

Chairman's and Chief Executive's Report

Overview of the period

The six months to 31 December 2012 was a period of significant change and transition for the Company. The Directors believe that Kedco now has a more appropriate capital structure, a clear set of corporate objectives and the management team and project pipeline in place to meet these objectives and drive shareholder value.

The period under review can be defined by a number of key milestones achieved during the period:

- The successful completion of a balance sheet restructuring which saw both debt and equity holders recognise the value in future opportunities available to the Company;

- The completion of the acquisition of Reforce Energy Limited, which signalled the commencement of the new broader strategy and objectives of the Company;

- The successful initial commissioning of Phase One of the Newry Biomass plant, which marks the Company's shift from a pure developer to an operator of renewable energy assets.

The Directors believe that the restructured and enlarged Group has created a business model that provides shareholders with a diversified approach to investing in the renewable energy sector through a publicly quoted entity. This focused strategy has already provided an increased level of organic growth through adding new projects and developing multiple renewable technologies on existing sites. In addition to this, a number of opportunities have been identified to lead the consolidation of small to medium size project developers and operators. These opportunities are currently being assessed by the Board and will only be considered on the basis that they create value for shareholders and help in achieving the Company's target of having a minimum portfolio of 300MWs with at least 100MWs in operation within the next three years.

Portfolio Overview

Biomass projects

- **4MW Newry Biomass CHP project:** Located in Newry, Northern Ireland, this project is the Group's first operational and cash generating asset, and has allowed Kedco to transition from a pure development company to an operator of renewable energy assets. The first 2MW line completed initial commissioning in September 2012. The second 2MW line will be commissioned during 2013 with full takeover expected by the end of the year. Once fully commissioned, it is anticipated that the project will generate up to £4 million of revenue and £2 million of EBITDA.

- **12MW Enfield Biomass CHP project:** Located in Enfield, London, this project is now in a position to be constructed with all relevant planning, permits and grid connection in place. The Company received a number of offers in relation to the financing of the project and appointed N+1 Singer as equity adviser to the Company in respect of the project. Financial close is currently well advanced and the Company is targeting this to be completed by the Q3 2013 with construction following soon after. The project has already received an offer to connect to the distribution network with capacity available in the area and negotiations are ongoing with a number of blue-chip potential off takers for both the electricity and heat to be generated by the project.

- **12MW Clay Cross Biomass CHP project**: Located in Derbyshire, this project is being developed in conjunction with the Larkfleet Group and its design will be based on the Newry project. It is expected that full planning and permitting will be finalised by Q3 2013.

- **25MW Londonderry Port Biomass CHP project**: Located in Co. Derry, Head of Terms were signed in January 2013 with the Londonderry Port Commissioners. It is expected that planning permission will be submitted in mid-2013.

Wind projects

- **800kw Pluckanes Wind project**: Located in Co. Cork, Ireland, the project is fully consented, ready to construct and has received a signed offer of bank financing for €1.15 million. Due diligence has been completed and financial close is expected to occur shortly. Following this, the project will start construction and is expected to be exporting electricity by September 2013. A 15 year Power Purchase Agreement has been signed with Energia, which provides a fixed price (subject to increases in Irish CPI) for all electricity generated by the project. A turbine supply agreement and 15 year maintenance and warranty agreement have also been signed with Enercon GmBH, the third largest manufacturer of wind turbines worldwide.

- **500kw Altilow wind project:** Located in Co. Donegal, Ireland, the project received planning permission from Donegal County Council in June 2012. A meteorological mast has been installed at the site and an application for connection to the national grid has also been made. The project is expected to be ready to construct in late 2013.

- **500kw Moneygorm wind project:** Located in Co. Cork, Ireland, the project received planning permission in February 2013. A meteorological mast is currently being installed and an application for connection to the national grid will be made in the coming weeks. The project is expected to be ready to construct in early 2014.

- **30MW Co-development Agreement:** Reforce Energy signed a co-development agreement in January 2013 with a private landowner for three windfarm projects located in the North west of Ireland with a minimum capacity of 10MWs each. The planning process for these projects has already started and a formal submission will be made in October 2013.

- **Other wind projects**: The Group intends to finance groups of small-scale projects together, thereby creating a small-scale wind portfolio. Pluckanes, Altilow and Moneygorm will be the first of such portfolios into which further projects can be added.

In addition to the above, the Group has made advances in other areas, including:

- **Small-scale solar projects:** Two projects are already planning approved, with a plan to install and commission these during 2013. There are further opportunities for solar projects within the existing pipeline.

- **Anaerobic Digestion ("AD"):** Planning has been approved with waste permits in place Cork and Kerry AD 500kW projects. The Board will review these projects pending the review of government support scheme and project economies. At least two UK AD projects will be brought forward in 2013.

Outlook

Against the positive backdrop of the successful balance sheet restructuring, the sale of electricity from the Newry Biomass plant and the progress made with the Group's portfolio of development projects, the Company will continue to develop and review its project pipeline and focus on its funding requirements including raising additional project debt and project equity in 2013 and securing additional funds to continue with its activities and its planned development program.

The Board believes that the outlook for the Company is positive and that Kedco has the right strategy, the right management team and the right project portfolio to deliver sustained shareholder value into the future.

Dermot O'Connell	**Gerry Madden**
Non-Executive Chairman	Chief Executive Officer

Kedco plc
Condensed Consolidated Income Statement
for the six months ended 31 December 2012

	Notes	6 months ended 31 Dec 2012 €	(Restated) 6 months ended 31 Dec 2011 €
Continuing operations:			
Revenue	5	1,764,791	7,380,542
Cost of sales		(1,764,791)	(7,258,735)
Gross profit		-	121,807
Operating expenses			
Administrative expenses		(760,313)	(698,822)
(Losses)/gains on foreign exchange		(144,728)	343,689
Revision of accounting estimates		-	250,297
Other operating income		9,000	2,100
Operating (loss)/profit		(896,041)	19,071
Finance costs		(125,933)	(521,946)
Share of losses on joint ventures after tax	9	(20,208)	(190,437)
Finance income		-	236
Loss before taxation	5	(1,042,182)	(693,076)
Income tax expense	6	-	-
Loss for the period from continuing operations		(1,042,182)	(693,076)
Discontinued operations			
Profit for the period from discontinued operations	13	164,322	326,380
Loss recognised on disposal of subsidiary	13	(8,866)	-
		155,456	326,380
Loss for the period		(886,726)	(366,696)
(Loss)/Profit attributable to:			
Owners of the Company		(919,591)	(431,972)
Non-controlling interest		32,865	65,276
		(886,726)	(366,696)

	Notes	6 months ended 31 Dec 2012 € Euro per share	6 months ended 31 Dec 2011 € Euro per share
Basic loss per share:			
From continuing and discontinued operations	7	(0.002)	(0.001)
From continuing operations	7	(0.002)	(0.003)
Diluted loss per share:			
From continuing and discontinued operations	7	(0.001)	(0.001)
From continuing operations	7	(0.002)	(0.002)

Kedco plc
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2012

	6 months ended 31 Dec 2012 €	(Restated) 6 months ended 31 Dec 2011 €
Loss for the financial period	(886,726)	(366,696)
Other comprehensive income and expense		
Elimination of profit recognised in prior year from jointly controlled entity that was acquired as a subsidiary in current period	(256,358)	-
Exchange differences arising on retranslation of foreign operations	51,185	(194,261)
Total comprehensive income and expense for the period	(1,091,899)	(560,957)
Attributable to:		
Owners of the company	(1,124,764)	(626,233)
Non-controlling interests	32,865	65,276
	(1,091,899)	(560,957)

Kedco plc
Condensed Consolidated Statement of Financial Position
As at 31 December 2012

	Notes	As at 31 Dec 2012 €	As at 30 June 2012 €
ASSETS			
Non-current assets			
Goodwill	10	2,342,501	-
Property, plant and equipment		757,739	757,329
Share of net assets of jointly controlled entities	9	246,539	-
Financial assets	8	6,517,534	7,608,687
Total non-current assets		9,864,313	8,366,016
Current assets			
Inventories		-	50,000
Amounts due from customers under construction contracts		790,267	1,355,212
Trade and other receivables		714,014	1,605,518
Cash and cash equivalents		433,843	144,764
		1,938,124	3,155,494
Assets classified as held for resale		-	6,584,239
Total current assets		1,938,124	9,739,733
Total assets		**11,802,437**	**18,105,749**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	12,176,200	4,106,808
Share premium		19,097,472	19,375,525
Contingent equity consideration		600,000	-
Retained earnings – deficit		(26,332,437)	(25,207,673)
Equity attributable to equity holders of the parent		5,541,235	(1,725,340)
Non-controlling interest		-	898,010
Total equity/(deficit)		5,541,235	(827,330)
Non-current liabilities			
Borrowings	12	2,498,212	2,425,025
Share of net liabilities of jointly controlled entities	9	-	509,599
Total non-current liabilities		2,498,212	2,934,624
Current liabilities			
Amounts due to customers under construction contracts		-	1,110,090
Trade and other payables		2,411,471	2,595,766
Borrowings	12	1,351,519	9,661,645
Finance lease liabilities		-	373
		3,762,990	13,367,874
Liabilities associated with assets held for resale		-	2,630,581
Total current liabilities		3,762,990	15,998,455
Total equity and liabilities		**11,802,437**	**18,105,749**

Kedco plc
Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 December 2011 and the six months ended 31 December 2012

	Share capital €	Share premium €	Retained earnings €	Contingent equity consideration €	Share-based payment reserve €	Attributable to equity holders of the parent €	Non-controlling interest €	Total €
Balance at 1 July 2011	3,543,999	19,038,300	(22,316,689)	-	492,580	758,190	799,228	1,557,418
(Loss)/Profit for the financial period	-	-	(431,972)	-	-	(431,972)	65,276	(366,696)
Unrealised foreign exchange loss	-	-	(194,261)	-	-	(194,261)	-	(194,261)
Balance at 31 December 2011	3,543,999	19,038,300	(22,942,922)	-	492,580	131,957	864,504	996,461
Balance at 1 July 2012	4,106,808	19,375,525	(25,207,673)	-	-	(1,725,340)	898,010	(827,330)
Issue of ordinary shares in Kedco plc	951,296	4,959	-	-	-	956,255	-	956,255
Conversion of debt into equity	5,724,229	44,046	-	-	-	5,768,275	-	5,768,275
Issue of ordinary shares and contingent equity consideration on acquisition of subsidiary	1,393,867	6,133	-	600,000	-	2,000,000	-	2,000,000
Share issue costs	-	(333,191)	-	-	-	(333,191)	-	(333,191)
(Loss)/Profit for the financial period	-	-	(919,591)	-	-	(919,591)	32,865	(886,726)
Elimination of profit from jointly controlled entity	-	-	(256,358)	-	-	(256,358)	-	(256,358)
Disposal of non-controlling interest in subsidiary	-	-	-	-	-	-	(930,875)	(930,875)
Unrealised foreign exchange gain	-	-	51,185	-	-	51,185	-	51,185
Balance at 31 December 2012	12,176,200	19,097,472	(26,332,437)	600,000	-	5,541,235	-	5,541,235

Kedco plc
Condensed Consolidated Statement of Cash Flows
for the six months ended 31 December 2012

	Notes	6 months ended 31 Dec 2012	6 months ended 31 Dec 2011
Cash flows from operating activities		€	€
Loss before taxation		(886,726)	(366,696)
Adjustments for:			
Depreciation of property, plant and equipment		256,890	295,069
Amortisation of intangible assets		-	505
Profit on disposal of property, plant and equipment		(83,537)	(13,710)
Loss on disposal of subsidiary		8,866	-
Unrealised foreign exchange gain		146,260	70,788
Share of losses of jointly controlled entities after tax		20,208	190,437
Decrease in provision for impairment of trade receivables		-	(10,922)
Increase in impairment of inventories		(177,571)	(169,442)
Decrease in deferred income		(4,293)	(5,151)
Interest expense		183,820	566,924
Interest income		-	(241)
Operating cash flows before working capital changes		(536,083)	557,561
Decrease/(increase) in:			
Amounts due from customers under construction contracts		843,212	8,027,508
Trade and other receivables		(801,606)	726,346
Inventories		656,403	304,021
(Decrease)/increase in:			
Amounts due to customers under construction contracts		(110,090)	528,106
Trade and other payables		(426,694)	(4,248,933)
		(374,858)	5,894,609
Income taxes paid		-	-
Net cash (used in)/from operating activities		**(374,858)**	**5,894,609**
Cash flows from investing activities			
Payments for property, plant and equipment		(146,701)	(729,511)
Proceeds from sale of property, plant and equipment		109,584	382,708
Payments to acquire financial assets		-	(6,361,966)
Net cash inflow on acquisition of subsidiaries	14	156,781	-
Net cash inflow on disposal of subsidiary	13	226,094	-
Interest received		-	241
Net cash from/(used in) investing activities		**345,758**	**(6,708,528)**
Cash flows from financing activities			
Proceeds from borrowings		292,308	2,192,761
Repayments of borrowings		(182,925)	(1,653,260)
Proceeds from issue of equity		902,993	-
Payments for share issue costs		(178,916)	-
Payments of finance leases		(31,424)	(53,921)
Interest paid		(149,488)	(138,079)
Net cash from financing activities		**652,548**	**347,501**
Net increase/(decrease) in cash and cash equivalents		**623,448**	**(466,418)**
Cash and cash equivalents at the beginning of the financial period		(344,095)	208,587
Cash and cash equivalents at the end of the financial period		**279,353**	**(257,831)**

1. GENERAL INFORMATION

Kedco plc (the "Company") was incorporated in Ireland on 2 October 2008. The address of its registered office and principal place of business is 4600, Airport Business Park, Cork, Ireland.

The principal activity of the Group is to identify, develop, build, own and operate renewable energy electricity and heat generating power plants in the UK and Ireland. The Group focuses on both large and small scale projects, providing flexibility to maximise existing land positions while diversifying development and technology risks.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in compliance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The interim condensed consolidated financial statements are presented in Euro, which is the functional currency of the parent company, and have been prepared under the historical cost convention.

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised.

The Company continues to invest capital in developing and expanding its portfolio of renewable energy projects. The nature of the Group's development programme means that the timing of funds generated from developments is difficult to predict. Management have prepared financial forecasts to estimate the likely cash requirements of the Company over the next eighteen months. The forecasts include certain assumptions with regard to the costs of ongoing development projects, overheads and the timing and amount of any funds generated from developments. The forecasts indicate that the Company will require additional funds to continue with its activities and its planned development program.

The interim financial statements have been prepared on a going concern basis. The Directors have given careful consideration to the appropriateness of the going concern concept in the preparation of the interim financial statements. The validity of the going concern concept is dependent upon additional finance being available for the Company's activities and its planned development program.

After making enquiries and considering the items referred to above, the Directors believe that solid progress towards securing finance is being made and that, whilst there is no guarantee that such investment will be forthcoming, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements. The interim financial statements do not include any adjustments that would result should the above conditions not be met.

The interim financial information for both the six months ended 31 December 2012 and the comparative six months ended 31 December 2011 are unaudited and have not been reviewed by the auditors. The financial information for the year ended 30 June 2012 represents an abbreviated version of the Group's financial statements for that year. Those financial statements contained an unqualified audit report and have been filed with the Registrar of Companies. The interim condensed consolidated financial statements has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

3. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the Company and all subsidiaries. The financial period ends of all entities in the Group are coterminous.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in preparing the interim condensed consolidated financial information are unchanged from those disclosed in the Annual Report and Accounts of Kedco plc for the year ended 30 June 2012.

5. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the products sold to customers. The Group's reportable segments under IFRS8 *Operating Segments* are as follows:

Power Generation: Being the development and operation of renewable energy electricity and heat generation plants; and

Renewable Energy Solutions: Being the supply of combined heat and power units, domestic boilers, solar panels and other related products. The group is no longer acting in this segment.

The Chief Operating Decision maker is defined as the Board of Directors.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue		**Segment (Loss)/Profit**	
		(Restated)		**(Restated)**
	6 Months ended	**6 Months ended**	**6 Months ended**	**6 Months ended**
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
	€	€	€	€
Power Generation	1,764,791	7,334,934	(496,919)	319,246
Renewable Energy Solutions	-	45,608	(10,051)	4,400
Total from continuing operations	1,764,791	7,380,542	(506,970)	323,646
Central administration costs and directors' salaries			(398,071)	(306,675)
Other operating income			9,000	2,100
Share of losses on joint ventures			(20,208)	(190,437)
Interest costs			(125,933)	(521,946)
Interest income			-	236
Loss before taxation (continuing operations)			(1,042,182)	(693,076)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the six months ended 31 December 2012 amounted to € Nil (2011: €Nil). Included in revenues arising from sales in the Power Generation segment is €1,764,791 (2011: €7,226,485) arising from the sale to a jointly controlled entity, Newry Biomass Limited. No other single customer contributed 10% or more of the Group's Revenue in 2012 or 2011.

Revenues from external customers for each product and service have not been disclosed, as the necessary information is not available, and the cost to develop it would be excessive.

Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and directors' salaries, other operating income, share of losses of jointly controlled entities, investment revenue and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other segment information:	**Depreciation and amortisation**		**Additions to non-current assets**	
		(Restated)		**(Restated)**
	6 months ended 31 Dec 2012	**6 months ended 31 Dec 2011**	**6 months ended 31 Dec 2012**	**6 months ended 31 Dec 2011**
	€	€	€	€
Power Generation	7,666	7,165	2,338,391	5,858
Renewable energy solutions	7,812	7,812	-	-
	15,478	14,977	2,338,391	5,858

The Group operates in two principal geographical areas: Republic of Ireland (country of domicile), and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location are detailed below:

	Revenue from Jointly Controlled Entities and External Customers		**Non-current assets***	
		(Restated)		
	6 Months to 31 Dec 2012	**6 Months to 31 Dec 2011**	**As at 31 Dec 2012**	**As at 30 Jun 2012**
	€	€	€	€
Republic of Ireland	-	45,608	2,571,224	757,329
United Kingdom	1,764,791	7,334,934	529,016	-
	1,764,791	7,380,542	3,100,240	757,329

* Non-current assets excluding financial instruments and investment in jointly controlled entities.

The management information provided to the chief operating decision maker does not include an analysis by reportable segment of assets and liabilities and accordingly no analysis by reportable segment of total assets or total liabilities is disclosed.

6. INCOME TAX EXPENSE

	6 months ended 31 Dec 2012	6 months ended 31 Dec 2011
Income tax expense comprises:	€	€
Current tax	-	-
Deferred tax	-	-
Income tax expense recognised in profit or loss	-	-

An income tax charge does not arise for the six months ended 31 December 2012 or 31 December 2011 as the effective tax rate applicable to expected total annual earnings is Nil as the Group has sufficient tax losses coming forward to offset against any taxable profits. A deferred tax asset has not been recognised for the losses coming forward.

7. LOSS PER SHARE

	6 months ended 31 Dec 2012	(Restated) 6 months ended 31 Dec 2011
	€	€
Basic (loss)/earnings per share		
From continuing operations	(0.002)	(0.003)
From discontinued operations	-	0.002
Total basic loss per share	(0.002)	(0.001)
Diluted (loss)/earnings per share		
From continuing operations	(0.002)	(0.002)
From discontinued operations	0.001	0.001
Total diluted loss per share	(0.001)	(0.001)

Basic (loss)/earnings per share

The loss and weighted average number of ordinary shares used in the calculation of the basic (loss)/earnings per share are as follows:

	6 months ended 31 Dec 2012	6 months ended 31 Dec 2011
	€	€
Loss for period attributable to equity holders of the parent	(886,726)	(366,696)
Profit for period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	155,456	326,380
Losses used in the calculation of basic loss per share from continuing operations	(1,042,182)	(693,076)
Weighted average number of ordinary shares for the purposes of basic loss per share	551,919,336	225,281,916

Diluted (loss)/earnings per share

The loss used in the calculation of all diluted earnings per share measures is the same as those for the equivalent basic earnings per share measures, as outlined above.

The weighted average number of ordinary shares for the purposes of diluted loss per share reconciles to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows:

	6 months ended 31 Dec 2012	6 months ended 31 Dec 2011
Weighted average number of ordinary shares used in the calculation of basic loss per share	551,919,336	255,281,916
“A” Shares in issue	99,117,952	99,117,952
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	651,037,288	354,399,868

Share warrants which could potentially dilute basic earnings per share in the future have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of share warrants in issue as at 31 December 2012 would be to increase the weighted average number of shares by 37,511,646 (31 December 2011: 32,592,915).

Convertible preference shares which could potentially dilute basic earnings per share in the future have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of preference shares in issue as at 31 December 2012 would be to increase the weighted average number of shares by 3,125,000 (31 December 2011: 3,125,000).

Convertible loans which could potentially dilute basic earnings per share have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of loans in issue as at 31 December 2012 would be to increase the weighted average of shares by Nil (31 December 2010: 21,000,000).

As noted in note 14 below, the Kedco Group will be required to make a further issue of 59,737,418 ordinary shares in Kedco plc to the former shareholders of Reforce Energy Limited (“Reforce”) when Reforce obtains eight planning permissions for renewable energy projects from its project pipeline, as part of the agreement to purchase Reforce. If this transaction had taken place prior to 31 December 2012, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic earnings per share and diluted earnings per share by 9,956,236 (assuming the shares were issued in December 2012).

8. FINANCIAL ASSETS

	31 Dec 2012 €	30 June 2012 €
Loans advanced to Jointly Controlled Entities		
Balance at start of period	7,608,687	7,351,666
Loan eliminated as part of acquisition of jointly controlled entity	(990,000)	-
Foreign currency exchange movement	(101,153)	257,021
Balance at end of period	6,517,534	7,608,687

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

Details of the Group's interests in jointly controlled entities at 31 December 2012 are as follows:

Name of jointly controlled entity	*Country of incorporation*	*Shareholding*	*Principal activity*
Newry Biomass Limited	Northern Ireland	50%*	Energy utility company
Asdee Renewables Limited	Republic of Ireland	50%	Energy utility company
Bridegreen Energy Limited	Republic of Ireland	50%	Energy utility company

* Under the terms of the joint venture agreement for Newry Biomass Limited, the split of the share of profits in the company are on the basis of (1) the aggregate amount of called up share capital in the company and (2) the nominal holdings of loan notes issued by the company. As a result of the loan notes issued by Newry Biomass Limited in the period ended 31 December 2011, the share of the profits/losses to which the Group is entitled to is 92%.

Summarised financial information in respect of the group's interests in jointly controlled entities is as follows:

	31 Dec 2012 €	30 June 2012 €
Non-current assets	13,325,399	11,095,301
Current Assets	99,804	4,863,923
Non-current liabilities	(6,787,407)	(6,892,749)
Current liabilities	(6,090,189)	(9,705,017)
Net assets/(liabilities)	547,607	(638,542)
Group's share of net assets/liabilities of jointly controlled entities	246,539	(509,599)

	6 months ended 31 Dec 2012 €	6 months ended 31 Dec 2011 €
Total revenue	6,513	-
Total expenses	(97,414)	(214,064)
Total loss for the period	(90,901)	(214,064)
Group's share of losses of jointly controlled entities	(20,208)	(190,437)

During the six months ended 31 December 2012, the Group acquired the remaining 50% of Enfield Biomass Limited, a company which was previously accounted for as a jointly controlled entity. Details of the acquisition are set out in Note 14.

10. GOODWILL

	31 Dec 2012	30 June 2012
Gross	€	€
At start of period	-	549,451
Reclassified as assets held for resale		(549,451)
Acquisition of Reforce Energy Limited and subsidiaries (Note 14)	1,829,270	-
Acquisition of Enfield Biomass Limited (Note 14)	513,231	-
At end of period	2,342,501	-
Accumulated impairment losses		
At start and at end of period	-	-

11. SHARE CAPITAL

The following movements in share capital took place during the six month period to 31 December 2012:

On 27 November 2012, the company issued 95,129,619 Ordinary Shares of €0.01 each at an issue price of £0.0081 per share. On the same date, the company announced that its restructuring process was successful, and as a result, €5,442,091 of borrowings was converted into 540,070,386 Ordinary Shares of €0.01 each at an issue price of £0.0081 per share. In conjunction with this, the company's major shareholder, Farmers Business Developments plc ("FBD") agreed to convert €326,184 of its unsecured notes into 32,352,620 warrants at an issue price of £0.0081 per warrant.

On 21 December 2012, the company issued 139,386,678 Ordinary Shares of €0.01 at an issue price of £0.0081 per share in consideration towards the acquisition of shares in Reforce Energy Limited. On the same date, FBD converted its 32,352,620 warrants into ordinary shares of €0.01 each on a one-to-one exchange.

12. BORROWINGS

During the six month period to 31 December 2012, the company undertook a restructuring process, with the objective of stabilizing the Company's affairs, position the Company in a manner which will enable it to raise further capital, and enable the Company to adopt a more appropriate capital structure, which will facilitate the advancement of its development project line through the planning and permitting process. The restructuring process was agreed by the members of the Company at an Extraordinary General Meeting of the Company held on 5 October 2012, and the process was completed on 27 November 2012.

As part of this process, borrowings totaling €8,317,812 at 30 June 2012 were removed from the balance sheet by 27 November 2012. The borrowings were cleared as follows:

- €3,000,000 was satisfied as consideration towards the transfer of its interest in Kedco Block Limited, including Kedco Block Limited's interest in SIA Vudlande, to Cornhill Asset Management Limited, which is acting for and on behalf of the holders of the Zero-Coupon Secured Notes;
- €50,000 of secured loans was satisfied by the possession of secured assets with a value of €50,000; and
- The balance by the conversion of borrowings, including outstanding interest, was satisfied by the conversion of such borrowings into equity (see Note 11 above).

As part of the acquisition of Reforce Energy Limited and subsidiaries, the group took responsibility over 105,000 "B" Ordinary Shares of €1 each issued by Reforce Energy Limited as part of the Business Expansion Scheme. As part of this scheme, Kedco Investment Co. 1 Limited entered into a put and call option agreement, dated 20 December 2012, details of which are disclosed in Note 15. Under the provisions of IAS 32 *Financial Instruments: Presentation*, the above shares have been disclosed as a financial liability.

13. DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries (discontinued operation)

On 27 November 2012, the group disposed of Kedco Block Limited, a holding company registered in England and Wales; and SIA Vudlande, a company registered in Latvia and a 100% subsidiary of Kedco Block Limited, which carried out all of its Wood Products operations, being the production of sawn timber, realisation of wood and the supply of wood chips. The proceeds on disposal of €3,000,000 were satisfied by the settlement of borrowings (see note 11 above).

The profit for the period from the discontinued operation is analysed as follows:

	5 months ended 27 Nov 2012 €	6 months ended 31 Dec 2011 €
Profit of Wood Products operation for the period	164,322	326,380
Loss on disposal of Wood Products operation	(8,866)	-
Total profit for the period	155,456	326,380

The results of the Wood Products operation for the relevant periods were as follows:

	5 months ended 27Nov 2012 €	6 months ended 31 Dec 2011 €
Revenue	4,554,862	4,379,499
Operating costs	(4,332,653)	(4,011,419)
Finance costs	(57,887)	(41,700)
Profit before tax	164,322	326,380
Income tax charge	-	-
Profit after tax	164,322	326,380

The net assets of SIA Vudlande at the date of disposal were as follows:

	€
Net assets disposed of	3,922,009
Fair value of non-controlling interests	(930,875)
	2,991,134
Loss on disposal	8,866
Total consideration	3,000,000
Satisfied by settlement of borrowings	3,000,000

A loss of €8,866 was incurred on the disposal of SIA Vudlande. No tax charge or credit arose on the transaction.

Net cash inflow on disposal	€
Consideration paid in cash	-
Cash and cash equivalent balances disposed of (liability)	226,094
Net cash inflow on disposal	226,094

14. ACQUISITION OF SUBSIDIARIES

On 27 November 2012, as part of the restructuring process undertaken by Kedco plc, the group acquired the remaining 50% of the share capital of Enfield Biomass Limited (Enfield), which previously was accounted for as a jointly controlled entity. Enfield is the special purpose vehicle for developing the 12MW CHP project in Enfield, London.

On 21 December 2012, the Group acquired a 100% interest in Reforce Energy Limited and its subsidiaries, Pluckanes Windfarm Limited and Reforce Energy West Limited ("Reforce"). Reforce is a renewable energy development company focussed on small-scale renewable projects across various technologies and was acquired with the objective to increase the Group's pipeline of projects under development and to add depth to the management team.

Consideration transferred

	Enfield €	Reforce €
Shares issued (139,396,678 ordinary shares)	-	1,400,000
Conversion of equity in jointly controlled entity into ordinary shares	10,000	-
Contingent equity consideration (see (i) below)	-	600,000
	10,000	2,000,000

(i) The contingent equity consideration requires the Group to make a further issue of 59,737,418 ordinary shares in Kedco plc to the former shareholders of Reforce when Reforce obtains eight planning permissions for renewable energy projects from its project pipeline. The shareholders of Reforce have agreed to an orderly market arrangement in relation to the Ordinary Shares, which they will acquire for a period of 12 months from the date of issue. The directors expect that the specified target will be met. €600,000 represents the estimated fair value of the obligation.

Assets acquired and liabilities assumed at the date of acquisition	Enfield €	Reforce €
Non-current assets		
Plant, property and equipment	551,959	-
Current assets		
Cash and cash equivalents	134	156,647
Amounts due from customers under construction contracts	-	278,267
Trade and other receivables	1,176,538	10,151
Current liabilities		
Trade and other payables	(1,745,092)	(169,335)
Non-current liabilities		
Borrowings	(990,000)	(105,000)
	(1,006,461)	170,730

The initial accounting for the acquisition of Reforce and Enfield has only been provisionally determined at the end of the interim reporting period. For tax purposes, the tax values of Reforce's and Enfield's assets are required to be reset based on market values and other factors. At the date of finalisation of this interim report, the necessary market valuations and other calculations have not been finalised and the adjustments to deferred tax liabilities and goodwill noted above have therefore only been provisionally determined based on the directors' best estimate of the likely tax values. The market valuations obtained for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

Goodwill arising on acquisition

	Enfield €	Reforce €
Consideration transferred	10,000	2,000,000
Add: fair value of previously held equity interest	(503,230)	-
Less: fair value of identifiable net liabilities/(assets) acquired	1,006,461	(170,730)
	513,231	1,829,270

Goodwill arose in the acquisition of Reforce because the purchase included the project pipeline and customer relationships of Reforce Energy Limited as part of the acquisition. Goodwill arose in the acquisition of Enfield because the purchase included the future development potential of the CHP project in the company, Enfield Biomass Limited. These assets could not be separately recognised from goodwill because they are not capable of being separated from the Group and sold, transferred, licenced, rented or exchanged, either individually or together with any related contracts.

None of the goodwill arising on acquisition is expected to be deductible for tax purposes.

Net cash inflow on acquisition

	Enfield €	Reforce €
Consideration paid in cash	-	-
Cash and cash equivalent balances acquired	134	156,647
Net cash inflow on acquisition	134	156,647

Impact of acquisition on the results of the Group

Included in the loss for the interim period is €Nil attributable to Reforce and losses of €29,111 attributable to Enfield. Revenue for the period includes €Nil in respect of Reforce and Enfield.

Had the acquisition of Reforce been affected at 1 July 2012, the revenue of the group from continuing operations for the six months ended 31 December 2012 would have had no effect; and the loss for the period from continuing operations of the group would have been increased by €115,896.

Had the acquisition of Enfield been affected at 1 July 2012, the revenue of the group from continuing operations for the six months ended 31 December would have had no effect, and the loss for the period from continuing operations of the group would have been increased by €180,114. Enfield was accounted for as a jointly controlled entity up to 27 November 2012; therefore the results for the year include the Group's share of the losses of Enfield up to that date, totalling €75,501.

The directors of the Group consider these pro-forma numbers to represent an approximate measure of the performance of the combined group on a half-yearly basis and to provide a reference point for comparison in future periods.

15. COMMITMENTS AND CONTINGENCIES

As part of the acquisition of Reforce, the Group entered into a put and call option relating to the 105,000 "B" Ordinary Shares of €1 each in issue in Reforce Energy Limited. Under the put and call agreement, Kedco Investment Co. 1 Limited may be required to purchase the outstanding "B" Ordinary Shares in Reforce Energy Limited at a price to be agreed with between Kedco Investment Co. 1 Limited and the holders of the "B" Ordinary Shares in Reforce Energy Limited. The option may be exercised on any date between 1 January 2017 and 31 March 2017.

There have been no other changes in contingent liabilities since the end of the previous reporting period, 30 June 2012.

16. RELATED PARTY TRANSACTIONS

During the period ended 31 December 2012, the group realised €1,764,791 (2011: €7,226,485) from its jointly controlled entity, Newry Biomass Limited, on the sale of the construction of a 4MW gasification plant in Newry, Northern Ireland. Included in trade and other receivables at 31 December 2012 is €238,871 due from Newry Biomass Limited (2012: €Nil).

During the period ended 31 December 2012, the Group undertook a restructuring process that removed debt obligations from the Company such that it will have a suitable basis on which to raise further equity in the future. The following related party debts were converted as a result of this process, which was completed in November 27, 2012:

Amounts owed to directors:

	Loan in issue €	Satisfied on sale of subsidiary €	Satisfied by issue of shares No.
Zero coupon Loan Notes 2012	612,838	464,668	15,370,741
Investor Loans	604,149	-	59,922,665
Wellwin Facility	230,000	-	22,812,593
	1,446,987	464,668	98,105,999

Amounts owed to external investors:

	Loan in issue €	Satisfied by issue of shares No.
Investor Loans	2,326,184	230,723,018
Vudlande Loan	828,625	82,187,324
	3,154,809	312,910,342

17. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 31 December 2012, which comply with IAS 34, were approved by the Board of Directors on 27 March 2013.

- Ends -