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Active Energy Group PLC
15 September 2011

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ACTIVE ENERGY GROUP PLC
('Active Energy', the 'Company' or the 'Group')

Interim results for the six months ended 30 June 2011

Active Energy, the AIM - quoted voltage optimisation specialist and eco engineering consultants announces its interim results for the six months ended 30 June 2011 (the "period").

Highlights:

- Acquisition of Red Line Engineering Services in April 2011
- New senior management team to drive the business forward
- Raised £1.8m before expenses in a placing to strengthen the Group's balance sheet
- Loss for the period of £451,845 (2010: loss of £648,046)
- Loss per share 0.33 pence (2010 loss of 0.72 pence)
- Well placed to capitalise on new business opportunities in the voltage optimisation and eco engineering consultancy markets

Enquiries:

Active Energy Group Plc

Gavin Little, Executive Chairman	Tel: 020 7491 9533
Christopher Foster, Executive Director	Tel: 020 7491 9533

Merchant Securities Limited (Nominated Adviser)

Simon Clements/John East	Tel: 020 7628 2200

CHAIRMANS REPORT

On behalf of the board, I am pleased to present the results of Active Energy plc for the six month period ended 30 June 2011. Since the acquisition of Red Line Engineering Services ("Red Line") in April 2011 and in line with the Board's strategy, we have made significant progress in restructuring the Company into two main core businesses; voltage optimisation and the provision of a comprehensive service covering the environmental requirements of companies, from consultancy and design through installation to maintenance.

The disposal of the Group's mature, legacy businesses, Gasignition and Derlite was completed in October 2010. These two businesses operated in challenging markets and had continued to make losses. Their disposal is expected to generate significant annualised cost savings as well as enabling the Group to focus on the opportunities within the environmental sector.

In May 2011, the company successfully raised £1.8m before expenses through a placing in order to strengthen the Group's balance sheet and set the foundation in place to accelerate Active Energy's growth.

Financial Review

Group revenues derived from our continuing activities for the period were £839,742 (2010: £2,799,117) and related solely to our voltage optimisation business. The decline is predominantly related to the disposals of Gasignition and Derlite.

The Group reported a loss of £451,875 (2010: £648,046) for the period. The loss was after accounting for the costs of restructuring the business and the challenging economic environment that exists in our marketplace and in the wider economy. Loss per share was 0.33p (2010: loss per share 0.72p).

Net assets as at 30 June 2011 were £3,250,422 (2010: £1,559,289) including cash balances of £1,998,842 (2010: £97,988).

The Directors are not recommending payment of a dividend (2010: £nil)

Operating Review

Since the acquisition of Red Line the Group has made significant progress. The Company has also recently secured the ISO 9001 accreditation which we believe will be beneficial in discussions with potential clients and customers.

The demand for energy efficient products is still growing, driven increasingly by regulation as well as the need to cut costs. In the UK, the government's CRC Energy Efficiency Scheme requires larger companies to purchase CO2 credits according to how much CO2 they produce and is designed to encourage a proactive approach to reducing CO2 emissions.

We continue to see high levels of interest in our voltage optimisation products and our pipeline of new business opportunities is encouraging. We are currently in negotiations with a number of potential customers for multiple units across multiple sites and are hopeful that these sales can be secured in the second half of the year.

Outlook

We have continued to make encouraging progress during the first half of the current financial year in building our presence in the voltage optimisation marketplace. We continue to see sales opportunities in a number of sectors but the nature of our potential customer base is such that we are often subject to longer than normal sales cycles.

In addition, the acquisition of Red Line which allows the Company to provide a comprehensive service covering the environmental requirements of companies, from consultancy and design through installation to maintenance has enhanced the Group's engineering capabilities and help established a presence in the rail industry, where Red Line holds Transport for London approved supplier status. At the same time, the appointment of several new directors at an operational level will underpin our growth ambitions, bringing additional skills and sector experience.

We remain cautiously optimistic for the full year and I look forward to updating shareholders of further progress in our various markets.

Gavin Little
Chairman
15 September 2011

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
		Unaudited	Unaudited	Audited
		£	£	£
Revenue		839,742	2,799,117	2,972,711
Cost of Sales		(556,510)	(2,216,881)	(2,605,112)
Gross Profit		283,232	582,236	367,599
Other income		-	5,741	-
Administrative expenses		(735,485)	(1,213,736)	(1,785,048)
Loss from operations		(452,253)	(625,759)	(1,417,449)
Finance cost		-	(4,785)	-
Finance income		378	15	4,902
Loss before tax		(451,875)	(630,529)	(1,412,547)
Income tax		-	-	-
Loss for the period		(451,875)	(630,529)	(1,412,547)
Exchange difference on translation of foreign operations		-	(17,517)	-
Loss from discontinued operations net of tax		-	-	(552,281)
Loss for the year		(451,875)	(648,046)	(1,964,828)
Loss attributable to				
Owners of the parent		(414,897)	(575,851)	(1,760,702)
Non-controlling interests		(36,978)	(72,195)	(204,126)
		(451,875)	(648,046)	(1,964,828)
Earnings per share				
Basic and diluted (pence)	**2**	(0.33)	(0.72)	(1.95)
Continuing operations		(0.33)	(0.72)	(1.40)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2011

	Notes	As at 30 June 2011 Unaudited £	As at 30 June 2010 Unaudited £	As at 31 December 2010 Audited £
Assets				
Non-current assets				
Intangible assets		737,820	285,653	180,625
Property. Plant and equipment		54,051	197,220	54,549
Other receivables		385,909	-	380,000
		1,177,780	482,873	615,174
Current assets				
Inventories		70,976	871,951	130,905
Trade and other receivable		390,655	1,855,326	690,122
Cash and cash equivalents		1,998,842	97,988	652,044
		2,460,473	2,825,265	1,473,071
Total assets		3,638,253	3,308,138	2,088,245
Liabilities				
Current Liabilities				
Trade and other payables		387,832	1,709,245	536,603
Financial Liabilities - borrowing				
Interest bearing loans and borrowings		-	39,604	-
		-	-	-
		387,832	1,748,849	536,603
Net assets		3,250,421	1,559,289	1,551,642
Equity				
Called up share capital		1,966,090	869,944	1,122,090
Share premium		4,509,987	2,162,899	3,203,333
Merger reserve		-	128,571	-
EBT share reserve		(94,420)	(94,420)	(94,420)
Retained earnings		(2,890,132)	(1,510,682)	(2,475,235)
Foreign exchange reserve		-	2,977	-
Attributable to Equity Holders of Parent		3,491,525	1,559,289	1,755,768
Non-controlling interests		(241,104)	-	(204,126)
Total Equity		3,250,421	1,559,289	1,551,642

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Share capital	Share premium	Retained earnings	Foreign exchange reserve	Merger reserve	EBT share reserve	Non-c
At 1 January 2010	4,317,217	4,315,269	(6,561,783)	20,494	128,571	(25,000)	
Share cancellation and capital reduction	(3,447,273)	(2,152,370)	5,599,643	-	-	-	
Share option expense	-	-	81,987	-	-	-	
EBT share purchase	-	-	-	-	-	(69,420)	
Total comprehensive	-	-	-	-	-	-	
income for the period	-	-	(630,529)	(17,517)	-	-	
At 30 June 2010	869,944	2,162,899	(1,510,682)	2,977	128,571	(94,420)	
At 1 January 2010	4,317,217	4,315,269	(6,561,783)	20,494	128,571	(25,000)	
Issue of share capital	198,714	1,192,285	-	-	-	-	
Bonus share of share capital	53,432	(53,432)	-	-	-	-	
Share cancellation and capital reduction	(3,447,273)	(2,152,370)	5,599,643	-	-	-	
Share issue costs	-	(98,419)	-	-	-	-	
Share option expense	-	-	119,036	-	-	-	
Release on disposal of foreign subsidiaries	-	-	128,571	-	(128,571)	-	
EBT share purchase	-	-	-	-	-	(69,420)	
Total comprehensive	-	-	-	-	-	-	
income for the period	-	-	(1,760,702)	(20,494)	-	-	
At 31 December 2010	1,122,090	3,203,333	(2,475,235)	-	-	(94,420)	
At 1 January 2011	1,122,090	3,203,333	(2,475,235)	-	-	(94,420)	
Issue of share capital	844,000	1,477,000	-	-	-	-	
Share issue costs	-	(170,346)	-	-	-	-	
Share option expense	-	-	-	-	-	-	
EBT share purchase	-	-	-	-	-	-	
Total comprehensive	-	-	-	-	-	-	
income for the period	-	-	(414,897)	-	-	-	
At 30 June 2011	1,966,090	4,509,987	(2,890,132)	-	-	(94,420)	

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 Unaudited £	Six months ended 30 June 2010 Unaudited £	Year ended 31 December 2010 Audited £
Cash flows from operating activities				
Cash used in operations	**6**	(239,535)	(653,089)	(1,970,855)
Finance costs paid		-	4,785	7,900
Finance income		-	(15)	(13,102)
Loss on sale of discontinued operations		-	-	372,481
Net cash used in operating activities		(239,535)	(648,319)	(1,603,576)
Cash flows from investing activities				
Purchase of tangible fixed assets		(7,126)	(29,763)	(44,573)
Discontinued operations net of cash		-	-	198,500
Interest received		-	15	13,102
Purchase of new business		(557,195)	-	-
Net cash before investing activities		(803,856)	(678,067)	(1,436,547)
Cash flows from financing activities				
Finance received in year		-	-	21,415
Repayment of finance leases		-	(11,893)	-
Receipt of bank loans and other borrowings		-	36,830	-
Share Issue (Net of issue costs)		2,150,654	-	1,304,374
Purchase of EBT shares		-	(69,420)	(69,420)
Interest paid		-	(4,785)	(7,900)
Net cash generated from financing activities		2,150,654	49,268	1,248,469
Net increase/(decrease) in cash and cash equivalents		1,346,798	(727,335)	(188,078)
Cash and cash equivalents at start of period		652,044	840,122	840,122
Exchange losses on cash and cash equivalents		-	(14,799)	-
Cash and cash equivalents at end of period		1,998,842	97,988	652,044

NOTES TO THE INTERIM STATEMENTS
For the six months ended 30 June 2011

1. Accounting policies

Basis of preparation

The financial information has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and interpretations adopted for use in the European Union (collectively EU Adopted IFRSs).

The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statements for the year ended 31 December 2011 and are unchanged from those disclosed in the Group's Report and Financial Statements for the year ended 31 December 2010.

Non- statutory accounts
The financial information for the year ended 31 December 2010 set out in this interim report does not comprise the Group's statutory accounts as defined in section 435 of the Companies Act 2006.

The statutory accounts for the year ended 31 December 2010, which were prepared under International financial Reporting Standards, International Accounting Standards and IFRIC interpretations (collectively IFRS), have been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, but did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

The financial information for the six month periods ended 30 June 2011 and 30 June 2010 is unaudited.

The results for the period ended 30 June 2010 and the financial position reported at that date have been restated in respect of the losses for that period previously attributed to minority interests. The restatement has had no impact on the Group's reported net assets at 30 June 2010, but has had the effect of increasing the basic and diluted loss per share attributable to equity holders of the Group to 0.72 pence per share (previously reported as 1.17 pence per share). Retained earnings and total equity attributable to equity holders of the Group at 30 June 2010 have been restated accordingly in the unaudited consolidated statements of financial position and of changes in equity for that period.

2. Earnings per share

Basic earnings per share is calculated by dividing the earning attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. Diluted EPS shows a lower loss per share for each of the periods included in this interim report; accordingly it has not been disclosed.

	Six months ended 30 June 2011 Unaudited £	2011 weighted average number of shares	Per-share amount (Pence)
Basic EPS			
Loss for the period shareholders	(451,875)	136,664,065	(0.33)
Effect of dilutive securities			
Options	-	-	-
Dilutive loss per share	(451,875)	136,664,065	(0.33)

	Year ended 31 December 2010 Audited £	2010 weighted average number of shares	Per-share amount (Pence)
Basic EPS			
Loss for the year	(1,964,828)	100,918,418	(1.95)
Continuing operations Basic EPS			
Loss for the year	(1,412,547)	100,918,418	(1.40)
Discontinued operations Basic EPS			
Loss for the year	(552,281)	100,918,418	(0.55)

	Six months ended 30 June 2010 Unaudited £	2010 weighted average number of shares	Per-share amount (Pence)
Basic EPS			
Loss for the period	(648,046)	86,994,398	(0.75)
Effect of dilutive securities			
Options	-	7,240,886	-
Dilutive loss per share	(648,046)	94,235,284	(0.75)

Diluted loss per share

Diluted EPS show a lower loss per share and therefore has not been disclosed. The losses attributable to ordinary shareholders for the six months ended 30 June 2010 have been restated to include losses of £36,978 that were reported in the 2010 interim statement as attributable to a minority interest.

This has increased the loss per share attributable to ordinary shareholders for that period to 0.32 pence (previously reported as 0.72 pence).

3. Movement in called up share capital

	Six months ended 30 June 2011 Unaudited Number	Six months ended 30 June 2010 Unaudited Number	Year ended 31 December 2010 Audited Number
Allotted, issued and fully paid			
New ordinary shares of 1p each	112,208,971	86,994,398	112,208,971
New shares issued	84,400,000	-	-
	196,608,971	86,994,398	112,208,971

	Six months ended 30 June 2011 Unaudited Number	Six months ended 30 June 2010 Unaudited Number	Year ended 31 December 2010 Audited Number
Allotted, issued and fully paid			
New ordinary shares of 1p each	1,122,090	869,944	1,122,090
New shares issued	844,000	-	-
	1,966,090	869,944	1,122,090

4. Post Balance Sheet events

On 11 August 2011 Active Energy Group acquired the 27.2 per cent interest in Active Energy Limited, the Group's wholly owned subsidiary, held by SDC Industries Limited ("SDC") for a nominal sum.

Under the terms of the agreement certain monies due from SDC to the Company and from the Company to SDC have been waived. Following the waiver of these balances the Company was left with a liability of £100,000 (excluding VAT) due to SDC. This amount has been paid in full and final satisfaction of any amounts due to SDC.

The decision to acquire the minority interest reflects the fact that the Company has, since May 2011, in accordance with the terms of its agreement with SDC, been manufacturing the Voltage Master in its own facility in Leeds and expects any future demand for the product to be met from these new facilities which is expected to result in greater control over manufacturing, speedier response to customer demand, an improved product offering and improved gross margins.

5. Sundry information

These consolidated interim financial statements were approved by the Board of Active Energy for issue on 14 September 2011.

Copies of the interim report and financial statements will be available on the Company's website at www.active-energy-group.com.

For the six months ended 30 June 2011

6. Reconciliation of loss before income tax to cash generated from operations

Group	**30 June 2011 £**	**30 June 2010 £**	**31 December 2010 £**
Loss for the year	(451,875)	(630,529)	(1,964,828)
Depreciation charges	7,625	35,874	47,280
Profit on disposal of fixed assets	-	-	(850)
Share based payments	-	81,987	107,242
Exchange translation (gain)	-	(68,668)	(20,500)
	(444,250)	(581,336)	(1,831,656)
(Increase)/Decrease in inventories	59,930	(417,115)	(177,303)
	293,557	421,222	181,351
Decrease in trade and other receivables			
Increase in trade and other payables	(148,771)	(75,860)	(143,247)
Cash used in operations	(239,534)	(653,089)	(1,970,855)