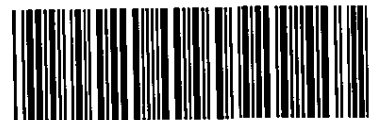


REGISTERED NUMBER: 06572070

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
ACTIVE ENERGY LIMITED**

THURSDAY



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29/09/2011
COMPANIES HOUSE

ACTIVE ENERGY LIMITED

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ACTIVE ENERGY LIMITED
COMPANY INFORMATION
for the year ended 31 December 2010

DIRECTORS:	C K Foster P E Palmer
SECRETARY:	P E Palmer
REGISTERED OFFICE:	75 Brook Street Mayfair London W1K 4AD
REGISTERED NUMBER	06572070
SENIOR STATUTORY AUDITOR:	Sophia Hill
AUDITORS:	BDO LLP Chartered Accountants and Registered Auditors Emerald House East Street Epsom Surrey KT17 1HS
BANKERS:	HSBC 39 Tottenham Court Road London W1T 2AR

ACTIVE ENERGY LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 December 2010

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale and installation of the VoltageMaster, a device that adjusts voltage distributed throughout a commercial building. The company operated entirely in the United Kingdom during the year under review.

REVIEW OF BUSINESS

The results for the year and the financial position of the company are shown in the annexed financial statements.

DIRECTORS

C K Foster has held office during the whole of the period from 1 January 2010 to the date of this report.

Other changes in directors holding office are as follows:

K F Baker - resigned 30 July 2010
P E Palmer - appointed 30 July 2010

S D Coomes and A Freudmann ceased to be directors after 31 December 2010 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under 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 company and of the profit or loss of the company 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ACTIVE ENERGY LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 December 2010

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

In preparing this report advantage has been taken of the small companies' exemption

ON BEHALF OF THE BOARD,



P E Palmer - Director

Date 27/09/11

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ACTIVE ENERGY LIMITED

We have audited the financial statements of Active Energy Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

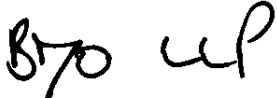
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ACTIVE ENERGY LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- The directors were not entitled to prepare the directors' report in accordance with the small companies' regime



Sophia Hill (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Epsom

Date 28 September 2011

BDO LLP is a limited partnership registered in England and Wales (with registered number OC305127)

ACTIVE ENERGY LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Notes	2010 £	2009 £
TURNOVER	2	2,972,712	1,036,188
Cost of sales		<u>2,605,113</u>	<u>773,533</u>
GROSS PROFIT		367,599	262,655
Administrative expenses		<u>1,118,062</u>	<u>543,512</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(750,463)	(280,857)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(750,463)</u>	<u>(280,857)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

ACTIVE ENERGY LIMITED

BALANCE SHEET
31 December 2010

COMPANY NO 06572070

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	52,634	47,227
CURRENT ASSETS			
Stocks	7	115,905	110,692
Debtors	8	592,592	1,077,364
Cash at bank and in hand		<u>267,826</u>	<u>55,561</u>
		976,323	1,243,617
CREDITORS			
Amounts falling due within one year	9	<u>1,810,077</u>	<u>1,321,501</u>
NET CURRENT LIABILITIES		<u>(833,754)</u>	<u>(77,884)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(781,120)	(30,657)
CREDITORS			
Amounts falling due after more than one year	10	<u>250,000</u>	<u>250,000</u>
NET LIABILITIES		<u>(1,031,120)</u>	<u>(280,657)</u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Profit and loss account	14	<u>(1,031,320)</u>	<u>(280,857)</u>
SHAREHOLDERS' DEFICIT	18	<u>(1,031,120)</u>	<u>(280,657)</u>

The financial statements were approved by the Board of Directors and authorised for issue on

27/9/2011



P E Palmer - Director

The notes form part of these financial statements

ACTIVE ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover represents revenue from the sale of goods and services, excluding value added tax. Revenue from the sales of goods is recognised when the Company has transferred the significant risks and rewards of the ownership of the goods to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right to return, the Company defers recognition of revenue until the right to return has lapsed. However, where the Company retains only insignificant risks of ownership due to the right of return, revenue is not deferred, but the Company recognises a provision based on previous experience and other relevant factors. The same policy applies to warranties.

Provided the amount of revenue can be measured reliably and it is probable that the Company will receive any consideration, revenue for services is recognised in the period in which they are rendered.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	- 3 - 10 years
Office equipment	- 3 - 5 years

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2010

1 ACCOUNTING POLICIES - continued

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Company has made an operating loss from continuing operations for the year ended 31 December 2010.

Detailed cash flow forecasts have been prepared by the Directors for the following two financial years.

The Company is now established with a regular revenue stream, and has been enlarged and strengthened with additional management, in order to achieve a greater market share and significantly increased volume of sales, however there does remain some uncertainty over the achievability of the forecast revenues.

Equally if the demand exceeds expectation the business will need to be expanded rapidly.

It is therefore acknowledged that there could be a need for additional funding. The Directors believe there are a number of options available to them to meet any additional funding requirements, which include establishing a new invoice discounting facility in respect of trade debtors or further equity placements by its parent undertaking.

The Company's funding relies on the support of its parent company, Active Energy Group plc. AEG's support takes the form of funding via redeemable preference shares and interest free loans. The Directors have received confirmation that AEG will support the Company, inter alia, by not seeking repayment of interest free loans of £1,350,000 due from the Company at 31 December 2010 until 31 December 2011, at the earliest, and by continuing to support the Company's funding needs generally for at least the next twelve months following the date of approval of the financial statements.

Having reviewed the cash flow forecasts and key assumptions, together with assessing the possible options for additional funding, the Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the Directors consider it appropriate to prepare the Company's financial statements on a going concern basis.

2 TURNOVER

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

3 STAFF COSTS

	2010 £	2009 £
Wages and salaries	587,341	274,710
Social security costs	57,261	16,822
	<u>644,602</u>	<u>291,532</u>

The average monthly number of employees during the year was as follows:

	2010	2009
Management and administration	5	4
Sales	5	5
Technical	4	-
	<u>14</u>	<u>9</u>

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2010

4 OPERATING LOSS

The operating loss is stated after charging

	2010	2009
	£	£
Depreciation - owned assets	13,135	4,047
Auditors remuneration - audit services	<u>12,500</u>	<u>3,000</u>
 Directors' remuneration	 <u>144,000</u>	 <u>120,000</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010	2009
	£	£
Loss on ordinary activities before tax	<u>(750,463)</u>	<u>(280,857)</u>
 Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	 (210,130)	 (78,640)
 Effects of		
Capital allowances in excess of depreciation	(1,571)	(12,938)
Disallowable expenses	2,925	1,887
Corporation tax losses carried forward	<u>208,776</u>	<u>89,691</u>
 Current tax charge	 <u>-</u>	 <u>-</u>

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2010

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Totals £
COST			
At 1 January 2010	19,091	32,183	51,274
Additions	<u>8,756</u>	<u>9,786</u>	<u>18,542</u>
At 31 December 2010	<u>27,847</u>	<u>41,969</u>	<u>69,816</u>
DEPRECIATION			
At 1 January 2010	1,444	2,603	4,047
Charge for year	<u>5,246</u>	<u>7,889</u>	<u>13,135</u>
At 31 December 2010	<u>6,690</u>	<u>10,492</u>	<u>17,182</u>
NET BOOK VALUE			
At 31 December 2010	<u>21,157</u>	<u>31,477</u>	<u>52,634</u>
At 31 December 2009	<u>17,647</u>	<u>29,580</u>	<u>47,227</u>

7 STOCKS

	2010 £	2009 £
Work-in-progress	77,709	-
Finished goods	<u>38,196</u>	<u>110,692</u>
	<u>115,905</u>	<u>110,692</u>

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	574,211	1,055,593
VAT	-	7,197
Other debtors	<u>18,381</u>	<u>21,771</u>
	<u>592,592</u>	<u>1,077,364</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	248,746	318,534
Amounts owed to group undertakings	1,354,650	400,000
Social security and other taxes	15,705	-
VAT	70,647	-
Other creditors	<u>120,329</u>	<u>602,967</u>
	<u>1,810,077</u>	<u>1,321,501</u>

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2010

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Amounts owed to group undertakings	<u>250,000</u>	<u>250,000</u>

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2010 £	2009 £
Expiring Between one and five years	<u>30,296</u>	<u>25,680</u>

12 FINANCIAL INSTRUMENTS

The company's treasury policy is to avoid transactions of a speculative nature. In the course of trade the company is exposed to a number of financial risks that can be categorised as market, credit and liquidity. The directors have identified the risks within each category and considers the impact on the activities of the company as part of their regular meeting routine.

Market risk

The company experiences translation and transactional exchange risk because the company's main supplier is based in Thailand. To mitigate this risk the majority of purchases are invoiced in Pounds Sterling.

The company finances its operations primarily through equity introductions and interest free funding from its parent undertaking therefore the directors do not consider the company to be materially sensitive to interest rate risk.

Credit risk

The company is mainly exposed to operational credit risk from credit sales. It is company policy to assess the credit risk of new customers before entering contracts. Such credit ratings are then factored into any decisions. The company does not enter into any derivatives to manage credit risk. The maximum exposure to credit risk at 31 December 2010 is £574,211 (2009 - £1,055,593).

The company is also exposed to financial credit risk relating to non-performance by banks in respect of cash deposits and is mitigated by the selection of institutions with a strong credit rating.

Liquidity risk

The company is exposed to liquidity risk as part of its normal trading cycle. The company's policies ensure sufficient liquidity is available to meet foreseeable needs through the preparation of short and long term forecasts. The company's requirements are constant throughout the year and relate largely to working capital which is supported by the raising of funds on an interest free basis from its parent undertaking.

Loans

The company has a loan due to its parent undertaking, Active Energy Group plc, of £1,350,000 (2009 - £400,000). The loan is interest free and has no fixed repayment period. In addition the company has issued Redeemable Preference shares to the value of £250,000 (2009 - £250,000) to its parent undertaking. In accordance with Financial Reporting Standard 25, these have been classified within the financial statements as a financial liability. Repayment is due on third anniversary of their issue or sooner at the Company's discretion.

Fair values

The fair value of short term deposits and other financial assets approximates to the carrying amount because of the short term maturity of these instruments.

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2010

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value lp	2010 £	2009 £
20,000	Ordinary		<u>200</u>	<u>200</u>
250,000	Redeemable preference shares	£1 00	<u>250,000</u>	<u>250,000</u>

14 RESERVES

	Profit and loss account £
At 1 January 2010	(280,857)
Deficit for the year	<u>(750,463)</u>
At 31 December 2010	<u>(1,031,320)</u>

15 ULTIMATE PARENT COMPANY

The ultimate parent company is Active Energy Group plc who owns 72.8% of the issued ordinary share capital

There is no overall controlling interest

16 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 December 2010 and 31 December 2009

	2010 £	2009 £
A Freudmann		
Balance outstanding at start of year	13,000	-
Balance outstanding at end of year	13,000	13,000
Maximum balance outstanding during year	<u>13,000</u>	<u>13,000</u>

17 RELATED PARTY DISCLOSURES

During the year the Company has received funding from its parent undertaking, Active Energy Group plc, by way of an interest free loan of £1,350,000 (2009 - £400,000) and subscription of Redeemable Preference shares £250,000 (2009 - £250,000). Both amounts remain outstanding at 31 December 2010. The Redeemable Preference shares are due for redemption on the third anniversary of their issue. There is no fixed repayment period in respect of the loan. Also included in creditors is a balance due to Active Energy Group plc amounting to £4,650 (2009 - £nil).

The Company purchases VoltageMaster from SDC Industries Limited, a company controlled by S D Coomes, a former director, and shareholder of Active Energy Limited. During the financial year ended 31 December 2010 the Company has purchased goods and services from SDC Industries Limited totalling £1,410,586 (2009 - £723,697). At 31 December 2010 there was an amount due from SDC Industries Limited of £65,713 (2009 - £225,785 - creditor).

ACTIVE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2010

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Loss for the financial year	(750,463)	(280,857)
Issued share capital	<u>-</u>	<u>100</u>
Net reduction of shareholders' funds	(750,463)	(280,757)
Opening shareholders' funds	<u>(280,657)</u>	<u>100</u>
Closing shareholders' funds	<u>(1,031,120)</u>	<u>(280,657)</u>