

23 September 2015

Eco City Vehicles PLC
("Eco City", "ECV" or the "Company")

Results for the six months ended 30 June 2015

Eco City announces its results for the six months ended 30 June 2015. The results reflect the position post ECV entering and subsequently exiting administration on the 22 December 2014 by way of a Company Voluntary Arrangement (the "CVA"), following approval by both ECV's creditors and shareholders.

On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds totalling of £250,000 by means of a private placing of convertible loan notes ("CLNs"). £143,000 of the proceeds of the subscription has been applied to fund the CVA. The proposals also included resolutions for the reorganisation and consolidation of the Company's shares. All resolutions were approved at the General Meeting, and the CVA was subsequently completed.

The placing of the CLNs was successful and the share reorganisation was implemented on 24th February 2015 and the share suspension was lifted on 3rd March 2015.

Outlook

The Company is classified as an investing Company, as defined under Rule 15 of the AIM Rules for Companies. The Company's new Investing Policy is to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the Board believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders. Details of the Investing Policy were set out in the circular sent to shareholders on 24 December 2014 and were approved by shareholders at the General Meeting held on 20 January 2015.

Financial highlights to 30 June 2015

- Operating loss before non-recurring items decreased by £0.28m to a loss of £82,000 (H1 2014: £0.36m loss)

Commenting on the results, John Swingewood, Chairman, said: "The Board is pleased to confirm that it continues to make progress in identifying meaningful acquisition opportunities in our chosen areas of technology, media and communications. Whilst there can be no guarantee that one or more investment opportunities can be concluded successfully, the Board remains confident of creating shareholder value through ECV and looks forward to providing further updates in due course."

Enquiries:

Eco City Vehicles plc

John Swingewood, Director

+44 1444 440 359

Allenby Capital Limited (Nomad and Broker)

Nick Harris/Nick Naylor

+44 20 3328 5656

Overview

Following the completion of the CVA, as described above, the Company is looking to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the Board believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders.

Non recurring items

The Group has incurred one-off non-recurring items of £0.14m (H1 2014: £81,000) due to legal, and restructuring costs associated with the CVA.

Cash balances and funding

Cash balances at 30 June 2015 were £56,000 (H1 2014: £0.7m)

John Swingewood
Chairman

Consolidated Statement of Comprehensive Income

For the period ended 30 June 2015

		Unaudited 30 June 2015 £000	Unaudited 30 June 2014 Restated £000	Audited 31 December 2014 £000
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative expenses		(225)	(468)	(2,854)
Other income		-	26	42
Loss from operations before non-recurring items		(82)	(361)	(467)
Non-recurring items	4	(143)	(81)	(2,345)
Loss from continuing operations		(225)	(442)	(2,812)
Finance costs		-	(22)	(22)
Loss before taxation from continuing operations		(225)	(464)	(2,834)
Loss from discontinued operations		-	(1,490)	(910)
Loss for the period and total comprehensive loss		(225)	(1,954)	(3,744)
Loss for year attributable to owners of parent		(225)	(1,916)	(3,660)
Non-controlling interest		-	(38)	(84)
		(225)	(1,954)	(3,744)
Loss per share	3	Pence	Pence	Pence
Continuing operations		(0.05)	(0.08)	(0.10)
Non-recurring items (pre-tax)		(0.08)	(0.02)	(0.50)
Discontinued operations		-	(0.32)	(0.19)
Basic and diluted losses per share :		(0.13)	(0.41)	(0.79)

eco city vehicles plc

Consolidated statement of financial position

As at 30 June 2015

	Notes	Unaudited 30 June 2015 £000	Unaudited 30 June 2014 £000	Audited 31 December 2014 £000
Assets				
Non-current				
Property, plant and equipment		-	2,548	-
Intangible assets		-	131	-
Total non-current assets		-	2,679	-
Current				
Inventories		-	5,132	-
Trade and other receivables		12	2,168	-
Cash and cash equivalents		56	695	-
Total current assets		68	7,995	-
Total assets		68	10,674	-
Equity and liabilities				
Equity				
Equity attributable to owners of the parent:				
Share capital		288	4,713	4,713
Share premium		-	3,190	3,190
Reverse acquisition reserve		-	(1,709)	-
Retained deficit		(278)	(6,639)	(7,918)
		10	(445)	(15)
Non-controlling interest		-	46	-
Total equity		10	(399)	(15)
Current liabilities				
Borrowings		-	422	-
Trade and other payables		59	7,705	15
Provisions		-	355	-
Total current liabilities		59	8,482	15
Non-current liabilities				
Borrowings		-	2,337	-
Trade and other payables		-	254	-
Total non-current liabilities		-	2,591	-
Total liabilities		59	11,073	15
Total equity and liabilities		69	10,674	-

eco city vehicles plc

Consolidated statement of changes in equity - unaudited

As at 30 June 2015

	Share capital £000	Share premium £000	Reverse acquisition reserve £000	Shares to be issued £000	Retained deficit £000	Total attributable to equity holders of Parent £000	Non-Controlling Equity £000	Total Equity £000
At 1 January 2014	4,692	3,177	(1,709)	-	(4,723)	1,437	84	1,521
Total comprehensive loss	-	-	-	-	(1,916)	(1,916)	(38)	(1,954)
Issue of share capital	21	13	-	-	-	34	-	34
At 30 June 2014	4,713	3,190	(1,709)	-	(6,639)	(445)	46	(399)
Total comprehensive loss	-	-	1,709	-	(1,828)	(119)	(46)	(165)
Disposal of assets	-	-	-	-	549	549	-	549
At 31 December 2014	4,713	3,190	-	-	(7,918)	(15)	-	(15)
Total comprehensive loss	-	-	-	-	(225)	(225)	-	(225)
Restructuring of share	(4,425)	(3,190)	-	-	7,865	250	-	250
At 30 June 2015	288	-	-	-	(278)	10	-	10

eco city vehicles plc

Consolidated statement of cash flows

For the period ended 30 June 2015

	Unaudited 30 June 2015 £000	Unaudited 30 June 2014 £000	Audited 31 December 2014 £000
Net cash inflow from Operating activities			
Loss for the year	(225)	(1,954)	(3,744)
Adjustments for:			
Depreciation and Amortisation	-	480	-
Impairment	-	991	2,080
Loss from Discontinued Operations	-	1,490	910
Transfer to administrators	-	-	(506)
Finance cost	-	194	22
Income tax expense	-	(6)	-
	<u>(225)</u>	<u>1,195</u>	<u>(1,238)</u>
(Increase)/decrease in debtors	(12)	4,049	6,217
Increase/(decrease) in creditors	44	(97)	(7,943)
(Increase)/decrease in stocks	-	(2,200)	2,932
	<u>(194)</u>	<u>2,947</u>	<u>(32)</u>
Cash generated from operations			
Income taxes received	-	6	-
	<u>(194)</u>	<u>2,953</u>	<u>(32)</u>
Net cashflows from operating activities			
Investing activities			
Payments to acquire tangible fixed assets	-	160	-
Sale of assets	-	(523)	-
Purchase of intangibles	-	23	-
	<u>-</u>	<u>(340)</u>	<u>-</u>
Net Cash used in investing activities			
Financing activities			
Net cash generated from share issue	250	34	34
Interest paid	-	(194)	(22)
Repayments of pension loans	-	(1,166)	-
Loss from Discontinued Operations	-	(1,490)	(910)
Income from related party VAT claim	-	600	-
Movement in stock financing	-	(632)	-
	<u>250</u>	<u>(2,848)</u>	<u>(898)</u>
Net cash used in financing activities			
Increase/(decrease) in cash	<u>56</u>	<u>(235)</u>	<u>(930)</u>
Cash and cash equivalents at beginning of the year	-	930	930
Cash and cash equivalents at end of the year	<u>56</u>	<u>695</u>	<u>-</u>

1. General Information

Eco City Vehicles PLC is a company incorporated in the United Kingdom and quoted on AIM. The address of the registered office is 60 Cannon Street, London, EC4 6NP.

This unaudited consolidated interim report is presented in British Pounds Sterling, the currency of the primary economic environment in which the Company operates.

The unaudited consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the year ended 31 December 2014 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The Independent Auditors' Report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. Basis of preparation

The unaudited consolidated interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The same accounting policies, presentation and method of computation are followed in this financial information as was applied in the company's latest annual audited financial statements and using accounting policies that are expected to be applied for the financial year ending 31 December 2015. Practice is continuing to evolve on the application and interpretations of IFRS. Further standards may be issued by the International Accounting Standards (IASB) and standards currently in issue and endorsed by the EU may be subject to interpretations issued by IFRIC.

3. Non-recurring items

	Unaudited 30 June 2014		Unaudited 30 June 2014		Audited 31 December 2014	
	£000	£000	£000	£000	£000	£000
Professional fees						
- Restructuring	143		31		61	
		143		31		61
Impairment charges	-		-		2,080	
		-		-		2,080
Administration costs	-		-		114	
		-		-		114
Compensation for loss of office	-		49		49	
		-		49		49
Other	-		1		41	
		-		1		41
		143		81		2,345

4. Loss per share

	Unaudited 30 June 2015 £000	Unaudited 30 June 2014 £000	Audited 30 2014 £000
Losses			
Total Comprehensive Loss for the period, used in the calculation of total basic earnings per share	(225)	(1,954)	(3,744)
Loss for the year used in the calculation of total basic earnings per share from continuing operations	<u>(82)</u>	<u>(361)</u>	<u>(467)</u>
Non-recurring items	(143)	(81)	(2,345)
Adjusted loss for the period	<u>(225)</u>	<u>(442)</u>	<u>(2,812)</u>
Discontinued operations	<u>-</u>	<u>(1,490)</u>	<u>(910)</u>
Weighted average number of ordinary shares for the purpose of basic and adjusted loss per share	178,751,496	471,302,000	471,337,000
<u>Loss per share</u>			
Continuing operations (pence)	<u>(0.05)</u>	<u>(0.08)</u>	<u>(0.10)</u>
Non-recurring items (pre-tax) (pence)	<u>(0.08)</u>	<u>(0.02)</u>	<u>(0.50)</u>
Discontinued operations (pence)	<u>-</u>	<u>(0.32)</u>	<u>(0.19)</u>
Basic and diluted loss per share	<u>(0.13)</u>	<u>(0.41)</u>	<u>(0.79)</u>

On 20 January 2015 in general meeting the issue of £250,000 of convertible loan notes and a three stage capital restructuring of the Company, certain aspects of which were also approved at a class meeting of the Company's deferred shareholders held immediately following the general meeting. Under the terms of the capital restructuring:

Stage 1

With effect from 29 January 2015 each existing ordinary share of 0.1 pence each ("Old Ordinary Shares") were be subdivided into one ordinary share of 0.008 pence each ("Stage 1 Ordinary Shares") and one deferred class B share of 0.092 pence each ("B Deferred"). In addition, the existing deferred shares of 0.9 pence each were reclassified as class B deferred shares and their rights varied ("Deferred"). Following Stage 1, the Company had the following shares in issue:

- 471,336,521 Stage 1 Ordinary Shares;
- 471,336,521 Deferred; and
- 471,336,521 B Deferred.

Stage 2

With effect from 24 February 2015, all the Deferred and B Deferred were cancelled under s662 of the Companies Act 2006.

Stage 3

As resolved on 24 February 2015 but with effect from 3 March 2015, every 125 Stage 1 Ordinary Shares were consolidated into 1 new ordinary share of 1 penny each ("New Ordinary Shares").

On 26 February 2015 the Company announced that the CLN's had been issued, that from the proceeds of the CLN issue the Company had paid £143,000 to the joint supervisors of the Company's CVA (the "Supervisors") for the purpose of implementing the CVA and that the Supervisors had confirmed that this payment provided full settlement of the Company's obligations under the terms of the CVA.

Also on 26 February 2015 the Company announced that the refinancing process relating to the CVA that was approved by creditors of the Company and Company's shareholders on 22 December 2014 had been effectively completed.

On 3 March 2015 the Company's New Ordinary Shares of 1 penny each were admitted to trading on AIM following the successful completion of the refinancing and capital restructuring. Also on 3 March 2015 the CLN's automatically converted to 25,000,000 New Ordinary Shares of 1 penny each and those shares were also admitted to trading on AIM.

On completion of all of the above refinancing and capital restructuring events the Company has 28,770,692 New Ordinary Shares in issue.