Interim Results for the six months ended 30 April 2010

AFC Energy PLC

('AFC Energy', 'AFC' or the 'Company')

AFC Energy PLC (AIM: AFC), a leading developer of low-cost alkaline fuel cells, today announces its Interim Results for the six months ended 30 April 2010.

Highlights of the period

- Receipt of first commercial revenue; £50k instalment of £200k from Linc Energy
- Significant progress in development of the Beta (large scale) fuel cell system
- £2.18 million net raised through share placing and option/warrant conversions
- Positive outcome of third independent technology review by the Centre for Process Innovation
- Filed 2 patents that further strengthen our IP portfolio
- WSP Group plc, CEL International and Air Products confirmed as world class partners
- Agreement with Centrica plc for reservation of future capacity
- Post-tax losses: £1.25 million (30 April 2009: £1.04 million), reflecting the strengthening of the technical team, whilst maintaining cost control
- Net cash outflow from operating and investing activities of £1.37 million (30 April 2009: £1.06 million)
- Cash balance at 30 April 2010: £2.68 million (30 April 2009: £2.55 Million)

Since period end

- Successful testing of an Alpha fuel cell system at Linc Energy's Chinchilla facility in Australia, operating on hydrogen from underground coal gasification
- Commenced testing of commercial electrodes for Beta fuel cell system
- Developing in-house capacity for annual pilot production of up to 2MW of fuel cell systems

Ian Balchin, CEO commented, "The goal of producing the lowest unit cost electricity using fuel cells is a simple one. Our initial target market is the chlorine (chlor-alkali) industry which produces well documented surpluses of hydrogen suitable for use directly in AFC's alkaline fuel cell systems. The Board believes that we have significantly reduced the risk in our business plan by choosing existing alkaline fuel cell technology and re-engineering it to reduce the capital and operating costs.

"AFC Energy's Alpha fuel cell systems are now installed as test-beds both at AkzoNobel in Germany and at Linc Energy in Australia. We have also commenced testing of our commercial electrodes which are based on thin metal plates and have more than twice the volumetric power density of our previous design. These are the electrodes that will be used in our modular Beta (large-scale) fuel cell system – the building block of our multi-megawatt power station concept.

“In preparation for initial demand we have already commenced the commissioning of a pilot production facility which will be capable of producing up to 2MW of fuel cell systems per year, whilst providing a valuable demonstration and training facility for our roll-out partners. This facility is due for completion over the summer and the Company remains on track for producing its first commercial Beta Fuel cell system in 2011.

“As a company we will endeavour to continue to be as open as we can whilst safeguarding commercial and intellectual property assets. We have received favourable feedback from the open days which we have hosted for private investors and shall be holding further open days later in the year.

I look forward to reporting more on the progress being made as we transition towards commercialisation.”

- ENDS -

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CHAIRMAN'S STATEMENT

Transitional technology

The last six months has seen AFC Energy working through its partners to replicate the success of its initial industrial application in the chlorine industry, by demonstrating its Alpha system in the coal power sector. I am delighted that AFC Energy's introduction, through B9 Coal, to Linc Energy Limited ("Linc Energy," ASX: LNC), has progressed so rapidly and I look forward to the possibility of AFC Energy's involvement in electricity generation projects across the UK and Europe.

Underground coal gasification

The Board believes that our announcement of 29 June represents the first time that a hydrogen fuel cell has been deployed with Underground Coal Gasification ("UCG") and that, as such, this represents a potential breakthrough technology for cleaner coal worldwide. We also believe that AFC Energy's and Linc Energy's integrated offer has the potential to provide an enhanced efficiency conversion of coal to electricity, at the lowest cost per kilowatt hour, whilst enabling up to 99 per cent. carbon capture and providing potential access to substantial amounts of stranded coal reserves.

Growing order book

I am pleased to be reporting this milestone deployment less than seven months after the signing, in December 2009, of the agreement with Linc Energy.

The collaborative agreements announced in January with WSP Group and Air Products, for the development of a SuperGreen power station, further demonstrate the progress towards commercialisation.

Also in January we announced an order from Centrica PLC, under which this major multi-national utility company reserved 250kW of fuel cell systems for use in a flagship project.

Significant third party validation

Under the direction of Dr. Gene Lewis, Technical Director, our iterative development programme continues at a very satisfactory impressive pace. Key achievements include improving the performance and capacity of our low cost electrodes whilst further reducing the complexity, component count and, therefore, cost of the overall system.

This progress has been acknowledged in two independent reviews conducted during the period by Dr Jon Helliwell, Project Manager, Fuel Cell Applications, at the Centre for Process Innovation ("CPI"). The Board is particularly pleased that, in his April review, Dr. Helliwell acknowledged a strong link between the Company's development activities and "its drive to ensure the manufacturability of its technology." His report also described the Beta system as "achievable," "truly scalable" and "capable of providing the power requirements its partners expect," whilst anticipating that "there will undoubtedly be great market interest in this larger scale system."

Further independent endorsement was provided by former Government Chief Scientific Adviser, Sir David King, during a site visit in April in his capacity as Director of the Smith School of Enterprise and the Environment.

Based on the strength of this independent validation, combined with continued high quality commercial interest from existing and prospective partners, the Board looks forward with confidence to the second half of 2010, as AFC Energy anticipates the first delivery of its Beta system in 2011.

TECHNICAL REVIEW AND PROGRESS

Work on both the Alpha (small scale) fuel cell system and Beta (modular large-scale) fuel cell system has proceeded apace.

Alpha fuel cell systems are now installed as test-beds at AkzoNobel in Germany and at Linc Energy in Australia.

The building block of AFC Energy's multi-megawatt power stations is the Beta fuel cell System which is modular in design, enabling low cost manufacture, easy installation and maintenance.

Our product development activity is capable of producing up to 1000 electrodes a day. We are operating an extensive in house programme of iterative fuel cell development, testing and analysis and I am pleased to report that we have commenced testing of our commercial electrode design which will be used in the Beta fuel cell system. The design of the commercial electrodes, for which patent applications have been submitted, is based upon thin metal support plates which enable cartridge volumetric power density to more than double over our previous generation. As well as being more compact, the commercial electrodes use fewer materials and are capable of being reused. These are further important steps in reducing both the capital and operating costs of the system.

We are currently in the process of equipping and commissioning a pilot production area at our premises which will be used to demonstrate the commercial process needed to manufacture the Beta (large-scale) system. The pilot production facility is due for completion before the financial year-end and we estimate that it will be capable of producing around 2MW of fuel cell systems per year. With the possible exception of electrode production, the volume manufacture and assembly of fuel cell systems will be outsourced and we are working closely with third parties including CEL International in this regard. The pilot production facility will provide demonstration and training for our manufacturing partners to assist in the transition.

OUTLOOK

Despite the difficult economic conditions prevailing in many countries, the Board believes that investment into alternative and greener energy sources is likely to increase. The Board believes that over the coming years many companies will be able to benefit from this shift and those that are able to provide the most cost-effective solutions will be those that gain the greatest competitive advantage.

AFC Energy is re-engineering alkaline fuel cells for low cost, reliable energy production. Having made significant technological advances, the next stage is to finalise the Beta system and move towards full commercialisation e of the opportunities available in both the chlorine industry and, more significantly perhaps, the coal and waste sectors.

AFC TEAM

During the period we have further strengthened the Board and the technical team.

Ian Balchin, who originally joined the Company as managing director in October 2008, has been working with our team to oversee the transformation of the Company and has now been appointed to the Board as Chief Executive Officer.

Simon Hunt has been appointed as Non-executive Director, following the retirement of Mike Mangan. Simon brings considerable city and legal experience to the Board especially in the context of growing technology businesses.

There is a tremendous continuing team effort at AFC Energy aimed at completing the development of the Beta fuel cell system, engaging commercial partners and establishing the manufacturing and assembly route for the anticipated roll out phase. I would like to extend my thanks on behalf of the Board to everyone working towards the Company's success.

Tim Yeo
Chairman
07 July 2010

FINANCIAL REVIEW

The Company is pleased to have received its first commercial revenue in the reporting period with receipt of the first £50k of the £200k contract with Linc Energy.

During the six months to 30 April 2010, post-tax losses were £1.25 million (30 April 2009: £1.04 million), reflecting the strengthening of the technical team whilst at the same time maintaining a focus on cost control.

The Company has made modest investment to expand its laboratory facilities in order to accommodate the equipment required to manufacture the latest generations of its electrodes and expects to continue the programme of investment in equipment in line with budget during the second half. The ongoing operational cost (rent, maintenance etc) to support these investments will have no material impact on the Company's cash requirements.

The net cash outflow from operating and investing activities in the six months to 30 April 2010 was £1.37 million (30 April 2009: £1.06 million).

On 4 December 2009 the Company issued 21,500,000 new shares, raising net proceeds of £2.01 million, by way of a placing of new ordinary shares to UK investors for use in the development of its low cost fuel cell system. During February 2010, the Company also issued 1,690,000 new shares, raising £0.17 million as a result of the exercise of options and warrants.

On 13 April 2010 the board of AFC Energy agreed to grant options over a total of 440,000 ordinary shares in the Company and warrants over a total of 7,806,000 ordinary shares in the Company. The purpose of the options and warrants is to incentivise and retain employees and directors during the current key commercialisation phase in the development of the company. In the six months to 30 April 2010 the shared based payment charge, reflecting the "fair value" of all options and warrants in issue, included in the post-tax loss was £0.13 million (30 April 2009: £0.03 million). This is a not a cash cost to the Company.

The net cash inflow from financing activities in the six months to 30 April 2010 was £2.18 million (30 April 2009: £nil).

The cash balance at 30 April 2010 was £2.68 million.

The Board of AFC Energy does not intend to declare a dividend in respect of this period.

The Company is pleased to announce that it has agreed to grant options over a total of 3,060,000 ordinary shares in the Company. The options are being granted under the rules of the AFC Energy Plc Enterprise Management Incentive Share Option Scheme. The purpose of the options is to recognise the outstanding technical contribution of key employees and to incentivise these employees during the key commercialisation phase in the development of the company.

The options are exercisable at a price of 20.75 pence per ordinary share, being the closing price on 6 July 2010, and are exercisable between 3 and 10 years following today's date of issue.

Following the issue of the options there will be 12,160,000 options and 11,956,000 warrants in issue, representing 13.8 per cent of the enlarged issued share capital of the Company.

AFC Energy PLC
Unaudited Interim financial statements for the six months to 30 April 2010

Income statement	**Note**	**Six months to 30 April 2010**	**Six months to 30 April 2009**	**Year to 31 October 2009**
		£	**£**	**£**
		Unaudited	Unaudited	Audited
Revenue		50,000	-	-
Cost of sales		-	-	-
Gross profit		50,000	-	-
Other Income		-	-	4,664
Administrative expenses		(1,436,070)	(1,233,748)	(2,345,651)
Analysed as:				
Administrative expenses		(1,306,151)	(1,202,374)	(2,280,731)
Equity-settled share-based payments		(129,919)	(31,374)	(64,920)
Operating loss		(1,386,070)	(1,233,748)	(2,340,987)
Financial income		16,247	56,158	67,890
Share of loss of associate		(9,736)	-	(26,651)
Loss before taxation		(1,379,558)	(1,177,590)	(2,299,748)
Taxation	**3**	126,688	133,359	219,220
Loss for the period attributable to owners of the parent		(1,252,870)	(1,044,231)	(2,080,528)
Basic and diluted loss per share	**4**	(0.92)p	(0.8)p	(1.63)p

All amounts relate to continuing operations.

Statement of Comprehensive Income	**Note**	**Six months to 30 April 2010**	**Six months to 30 April 2009**	**Year to 31 October 2009**
		£	**£**	**£**
		Unaudited	Unaudited	Audited
Loss for the period		(1,252,870)	(1,044,231)	(2,080,528)
Other comprehensive income				
Currency translation differences		-	-	-
Total comprehensive income for the period		(1,252,870)	(1,044,231)	(2,080,528)
Total comprehensive income for the period attributable to owners of the parent		(1,252,870)	(1,044,231)	(2,080,528)

Balance sheet	Note	30 April 2010	30 April 2009	31 October 2009
Non-current assets		**£**	**£**	**£**
		Unaudited	Unaudited	Audited
Intangible assets	**5**	309,883	309,683	308,525
Property, plant and equipment	**6**	461,812	385,811	270,069
Trade and other receivables	**7**	-	-	124,849
		771,695	695,494	703,443
Current assets				
Work in progress		123,740	123,740	123,740
Trade and other receivables	**7**	631,542	693,475	307,644
Cash and cash equivalents		2,676,652	2,549,040	1,868,601
		3,431,934	3,366,255	2,299,985
Total assets		4,203,629	4,061,749	3,003,428
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	**8**	150,873	127,683	127,683
Share premium		11,100,183	8,940,379	8,940,379
Other reserves		732,227	568,763	602,308
Retained loss		(8,239,237)	(5,950,070)	(6,986,367)
Total equity		3,744,046	3,686,755	2,684,003
Current liabilities				
Trade and other payables	**9**	459,583	374,994	319,425
Total equity and liabilities		4,203,629	4,061,749	3,003,428

Statement cash flows	Six months to 30 April 2010	Six months to 30 April 2009	Year to 31 October 2009
Cash flows from operating activities	**£**	**£**	**£**
	Unaudited	Unaudited	Audited
Loss before tax for the period	(1,379,558)	(1,177,590)	(2,299,748)
Adjustments for:			
Depreciation of property, plant and equipment	159,554	182,295	326,858
Amortisation of intangible assets	9,300	9,033	18,147
Equity-settled share-based payment expenses	129,919	31,375	64,920
Finance income	(16,247)	(56,158)	(67,890)
Share of loss of Associate	9,736		26,651
Cash outflows from operating activities before changes in working capital and provisions	(1,087,296)	(1,008,045)	(1,931,062)
Corporation tax received	-	-	463,721
Decrease/(increase) in trade and other receivables	(82,099)	31,940	38,411
(Decrease)/increase in trade and other payables	140,158	(63,704)	(119,273)
Cash absorbed by operating activities	(1,029,237)	(1,039,809)	(1,548,203)
Cash flows from investing activities			
Purchase of plant and equipment	(351,296)	(66,649)	(105,192)
Acquisition of patents	(10,657)	(10,864)	(18,820)
Disposal of plant and equipment	-	-	12,722
Loans to Associates	-	-	(150,000)
Interest received	16,247	56,158	67,890
Net cash absorbed by investing activities	(345,706)	(21,355)	(193,400)
Cash flows from financing activities			
Proceeds from the issue of share capital	2,319,000	-	-
Share issue costs	(136,006)	-	-
Net cash from financing activities	2,182,994	-	-
Net (decrease)/increase in cash and cash equivalents	808,051	(1,061,164)	(1,741,603)
Cash and cash equivalents at the beginning of the period	1,868,601	3,610,204	3,610,204
Cash and cash equivalents at the end of the period	2,676,652	2,549,040	1,868,601

Statement of Changes in Equity

	Share capital	Share premium	Other reserve	Retained loss	Total
	£	**£**	**£**	**£**	**£**
	Audited	Audited	Audited	Audited	Audited
Balance at 1 November 2008	127,683	8,940,379	537,388	(4,905,839)	4,699,611
Loss after tax for the year ended 31 October 2009	-	-	-	(2,080,528)	(2,080,528)
Total recognised income and expense for the period	-	-	-	(2,080,528)	(2,080,528)
Equity-settled share-based payments	-	-	64,920	-	64,920
Balance at 31 October 2009	127,683	8,940,379	602,308	(6,986,367)	2,684,003

	Share capital	Share premium	Other reserve	Retained loss	Total
	£	**£**	**£**	**£**	**£**
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance at 1 November 2009	127,683	8,940,379	602,308	(6,986,367)	2,684,003
Loss after tax for the six months ended 30 April 2010	-	-	-	(1,252,870)	(1,252,870)
Total recognised income and expense for the period	-	-	-	(1,252,870)	(1,252,870)
Issue of equity shares	23,190	2,295,810	-	-	2,319,000
Share issue expenses	-	(136,006)	-	-	(136,006)
Equity-settled share-based payments	-	-	129,919	-	129,919
Balance at 30 April 2010	150,873	11,100,183	732,227	(8,239,237)	3,744,046

	Share capital	Share premium	Other reserve	Retained loss	Total
	£	**£**	**£**	**£**	**£**
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance at 1 November 2008	127,683	8,940,379	537,388	(4,905,839)	4,699,611
Loss after tax for the six months ended 30 April 2009	-	-	-	(1,044,231)	(1,044,231)
Total recognised income and expense for the period	-	-	-	(1,044,231)	(1,044,231)
Equity-settled share-based payments	-	-	31,375	-	31,375
Balance at 30 April 2009	127,683	8,940,379	568,763	(5,950,070)	3,686,755

Share capital is the amount subscribed for shares at their nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

Other reserve represents the credit to equity in respect of equity-settled share-based payments.

Retained loss represents the cumulative loss of the Company attributable to owners of the parent.

Notes forming part of the interim financial statements

1 ***Significant accounting policies***

Details of the significant accounting policies are set out below:

a ***Basis of preparation***

The interim financial statements for the six months ended 30 April 2010 comparative information contained in the report for the six months ended 30 April 2009 are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006 The interim financial statements have been drawn up using the accounting policies and presentation consistent with those disclosed and applied in the annual report and accounts for the year ended 31 October 2009. The accounting policies used in the interim statement are consistent with those used in the financial statements for the year ended 31 October 2009 and are in accordance with International Financial Reporting Standards.

b ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. Revenue arising from the provision of services is recognised when and to the extent that the Company obtains the right to consideration in exchange for the performance of its contractual obligations.

c ***Development costs***

Development expenditure does not meet the strict criteria for capitalisation under IAS38 and has been recognised as an expense.

d ***Intangible assets***

Patents are valued at cost less accumulated amortisation and impairment charges. Amortisation of intangible assets is charged to administrative expenses using the straight-line method, as follows:

Patents	5% per annum straight line

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

e ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment charges. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	1 – 3 years
Fixtures, fittings and equipment	1 – 3 years
Vehicles	1 – 4 years

f ***Leases***

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Operating lease rentals are charged to income in equal annual amounts over the lease term.

g ***Taxation***

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

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

Deferred tax assets are not recognised due to the uncertainty of the period over which they will be recovered.

h ***Equity-settled share-based payments***

The Company awards share options and warrants to certain Directors and employees to acquire shares of the Company. The fair value of options and warrants granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the Directors and employees become unconditionally entitled to the options or warrants. The fair value of the options and warrants granted is measured using a binomial option valuation model, taking into account the terms and conditions upon which the options and warrants were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options and warrants that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions or where the vesting periods themselves are amended by the introduction of new schemes and the absorption of earlier schemes by agreement between the Company and the relevant Directors and employees. Where options or warrants granted are cancelled, all future charges arising in respect of the grant are charged to the income statement on the date of cancellation.

i ***Financial Assets***

All of the Company's financial assets are loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets at fair value and comprise trade and other receivables and cash and cash equivalents.

2 **Segmental Analysis**

The Company operated in the period in one segment, the development of fuel cells. All of its sales in the period were in Australia.

3 Taxation	**Six months to 30 April 2010**	**Six months to 30 April 2009**	**Year to 31 October 2009**
	£	**£**	**£**
Recognised in the income statement:	Unaudited	Unaudited	Audited
Research and development tax credit – current year	126,688	133,258	228,361
Research and development credit – prior year adjustment	-	101	(9,141)
Total tax credit	126,688	133,359	219,220
Reconciliation of effective tax rates			
Loss before tax	(1,379,558)	(1,105,348)	(2,299,748)
Domestic rate of corporation tax	28%	28%	28%
Tax using domestic rates of corporation tax	386,276	309,497	643,929
Effect of:			
Expenses not deductible for tax purposes	39,551	8,785	26,037
Research and development allowance	(108,590)	(74,625)	(195,318)
Research and development tax credit	126,688	133,258	228,361

Depreciation in excess of capital allowances	(11,477)	10,947	58,536
Losses surrendered for research and development	253,376	233,201	399,631
Other adjustments		-	-
Unutilised losses carried forward	213,416	131,189	355,043
	126,688	133,258	228,361

4 **Loss per share**	**Six months to 30 April**	**Six months to 30 April**	**Year to 31 October**
	2010	**2009**	**2009**
	Unaudited	Unaudited	Audited
The calculation of the basic loss per share is based on the net loss after tax attributable to the ordinary shareholders of £1,252,870 (30 April 2009: loss of £1,044,231; 31 October 2009: loss of £2,080,528) and a weighted average number of shares in issue for the period 1 November 2009 to 30 April 2010 of 136,336,909 (six months to 30 April 2009: 127,682,854; year to 31 October 2009: 127,682,854).			
Loss per share	(0.92)p	(0.82)p	(1.63)p

Diluted loss per share

The diluted loss per share is the same as the basic loss per share, as the loss for the six months ended 30 April 2010 has an anti-dilutive effect.

5 **Intangible assets**	**Patents**
	£
	Unaudited
Cost	
At 31 October 2008	349,583
Additions	10,684
At 30 April 2009	360,267
Additions	8,136
At 31 October 2009	368,404
Additions	10,657
At 30 April 2010	379,061
Amortisation	
At 31 October 2008	41,731
Charge for the period	9,033
At 30 April 2009	50,764
Charge for the period	9,114

At 31 October 2009	59,878
Charge for the period	9,300
At 30 April 2010	69,178
Net book value	
At 30 April 2010	309,883
At 30 April 2009	309,683
At 31 October 2009	308,525

6	**Property, plant and equipment**	**Leasehold improvement s**	**Fixtures, fittings and equipment**	**Total**
		£	£	£
		Unaudited	Unaudited	Unaudited
	Cost			
	At 31 October 2008	146,992	737,636	884,628
	Additions	3,160	63,489	66,649
	Disposals	-	(100,289)	(101,289)
	At 30 April 2009	150,152	700,836	850,988
	Additions	-	38,543	38,543
	Disposals	-	(33,000)	(33,000)
	At 31 October 2009	150,152	706,378	856,530
	Additions	16,900	334,396	351,296
	Disposals	-	-	-
	At 30 April 2010	167,052	1040,774	1,207,826
	Depreciation			
	At 31 October 2008	94,145	286,025	380,170
	Charge for the period	24,339	160,956	185,195
	Disposals		(100,289)	(100,289)
	At 30 April 2009	118,484	346,692	465,176
	Charge for the period	24,774	116,789	141,563
	Disposals	-	(20,277)	(20,277)
	At 31 October 2009	143,258	443,204	586,462
	Charge for the period	13,486	146,068	159,554
	Disposals		-	-
	At 30 April 2010	156,744	589,272	746,016
	Net book value			
	At 30 April 2010	10,308	451,504	461,812
	At 30 April 2009	31,668	354,143	385,811
	At 31 October 2009	6,894	263,175	270,069

7	**Trade and other receivables**	**30 April 2010**	**30 April 2009**	**31 October 2009**

	£ Unaudited	£ Unaudited	£ Audited
Trade receivables	300		4,579
Other receivables	558,709	622,575	379,044
Prepayments	72,533	70,990	48,870
Total	631,542	693,475	432,493
Less non-current portion	-	-	124,849
Current portion	631,542	693,475	307,644

8	**Share capital**	**30 April 2010**	**30 April 2009**	**31 October 2009**
		£ Unaudited	£ Unaudited	£ Audited
	Authorised			
	700,000,000 Ordinary shares of 0.1p each	700,000	700,000	700,000
	Issued			
	150,872,854 Ordinary shares of 0.1p each	150,873	127,683	127,683

9	**Trade and other payables**	**30 April 2010**	**30 April 2009**	**31 October 2009**
		£ Unaudited	£ Unaudited	£ Audited
	Trade payables	241,230	180,691	133,875
	Deferred income	123,740	123,740	123,740
	Other payables	34,034	33,976	31,723
	Accruals	60,579	36,587	30,087
		459,583	374,994	319,425

Related-party transactions

During the six months ended 30 April 2010, £23,146 (plus VAT) was invoiced by Hudson Raine Ltd (a company registered in England & Wales) for services including David Marson as a Director of AFC Energy plc (2009: £ nil). Mr Marson is also a Director and shareholder of Hudson Raine Ltd. At 30 April 2010, the sum owing to Hudson Raine Ltd was £23,146 (2009: £ nil).

During the six months ended 30 April 2010, £100,000 (plus VAT) was invoiced by Cranwood Management Ltd (a company registered in England & Wales) for fundraising and consultancy services. The company is owned by Adam White. Members of Mr White’s family are nominated beneficiaries of the Age of Reason Foundation, which is a major shareholder in the Company. At 30 April 2010, the sum owing to Cranwood Ltd was £10,000 (2009: £ nil).

Publication of non-statutory accounts

The financial information contained in this interim financial statement does not constitute accounts as defined by the Companies Act 2006. The financial information for the preceding period is based on the statutory accounts for the year ended 31 October 2009. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

Copies of the interim financial statement may be obtained from the Company Secretary, AFC Energy PLC, Unit 71.4 Dunsfold Park, Cranleigh, Surrey GU6 and can be accessed from the Company's website at www.afcenergy.com