

**FG Employee Trustee Company Limited**  
**Financial Statements**  
**For the year ended 31 December 2009**

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COMPANIES HOUSE

**Company No. 04984477**

## Company information

**Company registration number:**

04984477

**Registered office:**

Steam Packet House  
76 Cross Street  
Manchester  
M2 4JU

**Directors:**

A C Hutchings  
R H Smith

**Secretary:**

P M Barry

**Bankers:**

HSBC Bank plc  
Chester & Deeside Commercial Centre  
Vista, St Davids Park  
Ewloe, Flintshire  
CH5 3RX

**Solicitors:**

Atticus Legal LLP  
Steam Packet House  
76 Cross Street  
Manchester  
M2 4JU

**Auditors:**

Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

## Index to the financial statements

<b>Report of the directors</b>	<b>3 - 4</b>
<b>Independent auditor's report</b>	<b>5 - 6</b>
<b>Principal accounting policies</b>	<b>7</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 12</b>

## Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2009

### **Principal activity**

The principal activity of the Company during the period was as a statutory vehicle put in place to purchase shares in its immediate parent company on the employees' behalf

### **Business review and future developments**

The profit for the year after taxation amounted to £Nil (2008 £14) The directors do not recommend the payment of a dividend (2008 £Nil)

The Company currently holds 179,653 (2008 179,653) Ordinary shares of 1p each in VPhase plc, representing 0.03% of the called up share capital of VPhase plc as at 31 December 2009 (2008 0.03%) The Company's strategy remains unchanged from the prior year and is dependent upon the continuing support of its ultimate parent company

### **Key performance indicators**

The directors consider the key performance indicator of the Company to be the market value of these shares. As at 31 December 2009, the market value was £7,186 (2008 £11,677)

### **Financial risk management objectives and policies/other risk and uncertainties**

The Company manages its capital to ensure that it is able to continue as a going concern whilst maximising the return to its parent company. The Company's strategy remains unchanged from the prior year and is dependent upon the continuing support of its parent company.

The capital structure of the Company consists of cash, inter-group loans and share capital.

The directors consider the principal risk to the Company to be the market value of its investments.

### **Directors**

The present membership of the Board is set out below

A C Hutchings  
R H Smith

## Report of the directors

### Statement of directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



R H Smith  
Director  
23 March 2010



## **Independent auditor's report to the members of FG Employee Trustee Company Limited**

We have audited the financial statements of FG Employee Trustee Company Limited for the year ended 31 December 2009 which comprise the profit and loss account, 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 on page 4, 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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2009 and of its result 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 members of FG Employee Trustee Company 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

*Grant Thornton UK LLP*

Joanne Kearns  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
23 March 2010

## Principal accounting policies

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention

The principal accounting policies of the Company have remained unchanged from the previous year and are set out below. The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the Company's circumstances

### **Going concern**

The financial statements have been prepared on a going concern basis. The continuation of the Company's activities is dependent upon the continuing support of its immediate parent company, VPhase plc. The directors have received assurances that the intermediate parent company will continue to support this Company for the foreseeable future. On this basis they consider that it is appropriate to prepare the financial statements on a going concern basis.

### **ESOP reserve**

The ESOP reserve represents the cost of shares held by the Company in VPhase plc.

### **Cash flow exemption**

The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the parent company includes a cash flow statement within its financial statements.



## Profit and loss account

	Note	2009 £	2008 £
Administrative expenses		-	-
<b>Operating profit</b>		-	-
Other operating income		-	-
Other interest receivable		-	14
<b>Profit on ordinary activities before taxation</b>	1	-	14
Tax on profit on ordinary activities	3	-	-
<b>Profit for the financial year</b>	7	-	14

There were no recognised gains or losses other than the profit for the financial year

All activities are derived from continuing operations

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	2009 £	2008 £
<b>Current assets</b>			
Cash at bank and in hand		<u>1,542</u>	<u>1,542</u>
		<b>1,542</b>	<b>1,542</b>
<b>Creditors amounts falling due within one year</b>	4	<u>(101,000)</u>	<u>(101,000)</u>
<b>Net current liabilities</b>		<u>(99,458)</u>	<u>(99,458)</u>
<b>Total assets less current liabilities</b>		<u>(99,458)</u>	<u>(99,458)</u>
<b>Net liabilities</b>		<u>(99,458)</u>	<u>(99,458)</u>
<b>Capital and reserves</b>			
Called up share capital	5	2	2
ESOP reserve	6	(47,278)	(47,278)
Profit and loss account	7	(52,182)	(52,182)
<b>Shareholders' deficit</b>	8	<u>(99,458)</u>	<u>(99,458)</u>

These financial statements were approved by the directors and authorised for issue on 23 March 2010, and are signed on their behalf by



R H Smith  
 Director  
 FG Employee Trustee Company Limited  
 Company No 04984477

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### 1 Profit on ordinary activities before taxation

	2009	2008
	£	£
Bank interest	-	14

Auditors' remuneration has been borne by the parent undertaking VPhase plc

### 2 Directors and employees

There were no employees during the current or prior period and the directors that served during the period received no remuneration or fees

### 3 Tax on profit on ordinary activities

There is no tax charge in the year (2008 £Nil)

#### Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom of 28.00% (2008 28.49%). The differences are explained as follows

	2009	2008
	£	£
Profit on ordinary activities before taxation	-	14
Profit on ordinary activities before taxation, multiplied by standard rate of corporation tax in the United Kingdom of 28.00% (2008 28.49%)	-	4
Effect of Group relief	-	(4)

### 4 Creditors' amounts falling due within one year

	2009	2008
	£	£
Amounts owed to group undertakings	101,000	101,000

**5 Share capital**

	2009	2008
	£	£
Authorised share capital		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Allotted, called up and fully paid

	2009	2009	2008	2008
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**6 ESOP reserve**

**ESOP  
reserve**  
£

At 1 January 2009 and at 31 December 2009 (47,278)

The market value of these shares at 31 December 2009 was £7,186 (2008 £11,677)

**7 Profit & loss account**

**Profit & loss  
account**  
£

At 1 January 2009 and at 31 December 2009 (52,182)

**8 Reconciliation of shareholders' deficit**

	2009	2008
	£	£
Profit for the financial year	-	14
Movement in shareholders' deficit	-	14
Shareholders' deficit at 1 January	<u>(99,458)</u>	<u>(99,472)</u>
Shareholders' deficit at 31 December	<u>(99,458)</u>	<u>(99,458)</u>

**9 Ultimate parent company and controlling related party**

The immediate parent undertaking of the Company is VPhase plc. Consolidated Financial Statements for VPhase plc are available from the Company Secretary, VPhase plc, Steam Packet House, 76 Cross Street, Manchester, M2 4JU.

The ultimate parent undertaking of this Company is Energetix Group plc. Consolidated Financial Statements for Energetix Group plc are available from the Company Secretary, Energetix Group plc, Steam Packet House, 76 Cross Street, Manchester, M2 4JU.

The directors do not consider there to be a controlling related party of the ultimate parent company.