

Company Registration No. 5070887

First Utility Limited

Report and Financial Statements

31 December 2010



First Utility Limited

Report and financial statements 2010

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First Utility Limited

Report and financial statements 2010

Officers and professional advisers

Directors

D S Braham
M W Daeche
J B Jeffs
T J Maguire

Secretary

T J Maguire

Registered Office

19 South Audley Street
London
W1K 2NU

Bankers

Natwest
65 Piccadilly
London
W1A 2PP

Solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Auditors

Deloitte LLP
Chartered Accountants
London

First Utility Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Results and dividends

The profit and loss account is set out on page 8 and shows the result for the year

The directors do not recommend the payment of a dividend for the year (2009 £nil)

Principal activities, business review and future developments

The principal activity of the company is the supply of electricity and gas services to domestic and small business customers

The results reflect the ongoing investment in the expansion of electricity and gas services to both business and residential customers

On 12 August 2010 the Company completed a transaction with its principal trading counterparty to significantly ease the ongoing cash requirements of the Company. This transaction ensures that the Company is well funded to support its current level of growth and to enable it to develop and scale the business further. The key terms associated with the transaction were as follows

- The Company will source all its electricity and gas requirements exclusively from its principal trading counterparty for a minimum 4 year period. It is the intention of management to remain contracted to the wholesale energy trading agreement for the full 4 year term
- Prior to the transaction, the Company traded on a fully collateralised basis which required the Company to deposit funds in respect of each trade (initial margin) and to cover any adverse mark-to-market movement ('variation margin'). This would increasingly have become a constraint on the growth of the Company. On completion of the transaction the principal trading counterparty waived the requirement for the Group to post collateral in respect of initial and variation margins and returned all the deposits held to the Group, some £2.5 million. In addition the principal trading counterparty was granted a debenture over each Group company
- The principal trading counterparty has reduced the risk premium they charge for each energy trade. This has increased the competitiveness of the Group in the retail market

At the same time as the transaction above was completed, the Company terminated its Invoice Discounting facility of up to £2 million with Eurofactor (UK) Limited which allowed the release of the associated security provided

Principal risks

The Company is funded by its parent company, Impello PLC, to help fund its operations. The directors have received assurance from Impello PLC that it will provide financial support to the Company to ensure that it is able to fulfil its financial obligations when they fall due including deferral of recovery of the amounts payable to the parent company as necessary in order to ensure this

The principal risks and uncertainties that the Group faces have been outlined in more detail in the financial statements of Impello PLC

Based on the confirmation of financial support received from Impello PLC and after making enquiries and reviewing cashflow forecasts and available facilities for a period of at least 12 months, the Company Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to

First Utility Limited

Directors' report

continue in operational existence for the foreseeable future. This judgement has been formed, taking into account the principal risks and uncertainties that the Group faces which have been outlined in more detail in the financial statements of Impello PLC. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

First Utility Limited

Directors' report (continued)

Directors

The directors of the company during the year were

D S Braham
M W Daeche
J B Jeffs
T J Maguire

D S Braham, M W Daeche and J B Jeffs were directors of the parent company, Impello PLC, and their interests have been disclosed in the report and financial statements of Impello PLC. Copies of the financial statements of Impello PLC can be obtained from the registered office shown on page 1. T J Maguire has been granted 10,000 options to acquire shares in Impello PLC at an exercise price of 1p per share. The options may be exercised on a public offering of Impello PLC or upon the acquisition of all the issued shares of Impello PLC by any person.

Auditor

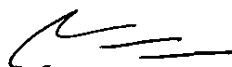
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(A) of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor.

Approved by the Board of Directors
and signed on behalf of the Board



D S Braham
Director

26 May 2011

First Utility Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of First Utility Limited

We have audited the financial statements of First Utility Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of First Utility Limited (continued)

Matters on which we are required to report by exception

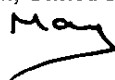
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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



James Leigh (Senior Statutory Auditor)
Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

26 May 2011



First Utility Limited

Profit and loss account Year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover	2	57,719,506	13,307,183
Cost of sales		(45,305,536)	(10,981,349)
Gross profit		<u>12,413,970</u>	<u>2,325,834</u>
Administrative expenses		(12,776,019)	(8,953,639)
Other operating income	4	969,360	1,196,415
Operating profit/(loss)	5	<u>607,311</u>	<u>(5,431,390)</u>
Interest receivable		15,127	19,859
Interest payable and similar charges	6	(78,181)	(62,709)
Profit/(loss) on ordinary activities before taxation		<u>544,257</u>	<u>(5,474,240)</u>
Taxation (charge)/credit on profit/(loss) on ordinary activities	7	74,537	73,092
Retained profit/(loss) for the year	15	<u><u>618,794</u></u>	<u><u>(5,401,148)</u></u>

All recognised gains and losses are included in the profit and loss account and therefore no statement of total recognised gains and losses has been presented

All amounts relate to continuing activities

First Utility Limited

Reconciliation of movements in shareholders' funds Year ended 31 December 2010

	2010	2009
	£	£
Opening shareholders' deficit	(7,605,557)	(2,204,409)
Profit/(loss) for the year	<u>618,794</u>	<u>(5,401,148)</u>
Closing shareholders' deficit	<u>(6,986,763)</u>	<u>(7,605,557)</u>

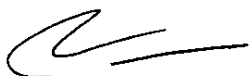
First Utility Limited

Balance sheet 31 December 2010

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	8	299,933	299,657
Tangible assets	9	3,285,121	2,282,193
		<u>3,585,054</u>	<u>2,581,850</u>
Current assets			
Stocks	10	715,774	423,472
Debtors	11	12,919,418	10,368,662
Cash at bank and in hand		2,624,305	1,036,204
		<u>16,259,497</u>	<u>11,828,338</u>
Creditors: amounts falling due within one year	12	(26,531,897)	(21,740,406)
Net current liabilities		<u>(10,272,400)</u>	<u>(9,912,068)</u>
Creditors: amounts falling due after more than one year	13	(299,417)	(275,339)
Net liabilities		<u>(6,986,763)</u>	<u>(7,605,557)</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	(6,986,765)	(7,605,559)
Total shareholders' deficit		<u>(6,986,763)</u>	<u>(7,605,557)</u>

These financial statements were approved by the Board of Directors on 26 May
Signed on behalf of the Board of Directors, company registration no 5070887

2011



D S Braham
Director

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

1 Accounting policies

The principal accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

These financial statements have been prepared on a consistent basis under the historical cost convention and in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices ("UK GAAP").

Going concern

The principal risks associated with the Company are discussed in the Directors report on page 2. Based on the confirmation of financial support received from Impello PLC, and after making enquiries and reviewing cashflow forecasts and available facilities for a period of at least 12 months, the Company Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed, taking into account the principal risks and uncertainties that the Group faces which have been outlined in more detail in the financial statements of Impello PLC. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover 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. Turnover includes amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

For energy supply, turnover is recognised on the basis of electricity and gas supplied during the period. For those customers awaiting actual meter reads an estimate is made of the sales value of units and terms supplied between the change of supply date and year-end. Any unbilled amounts are included in trade receivables to the extent they are considered recoverable.

Goodwill

Goodwill arising on the acquisition of part of the trade of Affinity Wireless Limited was the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition,
- in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

The acquired goodwill was capitalised and fully amortised through the profit and loss account over the directors' estimate of its useful economic life, being 4 years.

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred. Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable,
- the project is technically feasible and commercially viable,
- current and future costs are expected to be exceeded by future sales, and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

1. Accounting policies (continued)

Fixed assets

Fixed assets are stated at cost, net of depreciation and amortisation and provision for impairment. The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation and amortisation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. Depreciation and amortisation is calculated at the following rates:

Trademark and licences	- 20% to 50% per annum
Goodwill	- 25% per annum
Leasehold improvements	- over term of lease
Computer and telecom equipment	- 20% to 33% per annum
Software development	- 20% to 33% per annum
Fixtures and fittings	- 25% per annum
Meters	- 10% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. All stock held at year end relate to metering equipment.

Taxation

Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised, only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Leased assets

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

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

Financial instruments

The company uses derivative financial instruments to hedge its exposures to changes in market prices arising from energy purchases.

Forward contracts to purchase energy are accounted for on an accruals basis, with gains and losses recorded in the profit and loss account in the period in which the supply of power occurs and measured at cost.

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

1. Accounting policies (continued)

Bank borrowings

Interest-bearing loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

2. Turnover

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

3. Information regarding directors and employees

	2010 £	2009 £
Directors' remuneration		
Fees and emoluments for management services	463,586	579,578

	2010 £	2009 £
Remuneration of the highest paid director		
Emoluments	251,586	211,289

The highest paid director did not exercise any share options in the year.

	No.	No.
Average number of persons employed (including directors)		
Full time	145	96

	£	£
Staff costs during the year (including directors)		
Wages and salaries	5,947,377	3,801,312
Social security costs	658,700	406,734
	6,606,077	4,208,046

Staff costs cover services to other group companies. Included in the staff costs above is an amount of £nil (2009 £54,379) relating to costs that have been capitalised as intangible assets and £740,218 (2009 £346,348) relating to costs that have been capitalised as tangible assets.

The company offers no pension arrangements for employees.

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

4. Other operating income

	2010 £	2009 £
Facilities and service charge to fellow subsidiary undertaking	<u>969,360</u>	<u>1,196,415</u>

5. Operating profit/(loss)

This is stated after charging/(crediting)

	2010 £	2009 £
Depreciation		
- owned assets	814,553	615,227
- held under finance leases	40,928	47,961
Loss on disposal of fixed assets	-	57,320
Amortisation	151,488	103,724
Operating leases		
- hire of other assets	48,238	36,736
- land and buildings	196,506	145,840
Research and development		
- current year expenditure	149,564	126,125
- amortisation of deferred expenditure (included within amortisation)	117,352	89,144
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the company's annual accounts	53,463	34,368
- fees payable to the company's auditors for the audit of the other group companies pursuant to legislation	<u>17,000</u>	<u>17,000</u>

Auditors' remuneration for the parent company and group of £5,000 (2009 £5,000) is borne by First Utility Limited

6. Interest payable and similar charges

	2010 £	2009 £
Bank overdraft	-	9,537
Finance leases	69,272	41,976
Invoice discounting facility	8,909	11,196
	<u>78,181</u>	<u>62,709</u>

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

7. Taxation (charge)/credit on profit/(loss) on ordinary activities

	2010 £	2009 £
Corporation tax	74,537	73,092
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below		
	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	544,257	(5,474,240)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	(152,392)	1,532,787
Effects of		
Expenses not deductible for tax purposes	(4,025)	(8,532)
Depreciation in excess of capital allowances and other timing differences	(314,590)	(102,895)
Depreciation on non-qualifying assets	-	(691)
Overprovision in previous years	74,537	66,509
Group relief surrendered to parent and fellow subsidiary undertaking	-	(66,715)
Tax losses available to carry forward	-	(1,347,371)
Tax losses utilised brought forward	471,007	-
Current tax credit	74,537	73,092

8 Intangible fixed assets

	Software development £	Trademark and licences £	Purchased goodwill £	Total £
Cost				
At 1 January 2010	479,851	104,331	487,557	1,071,739
Additions	97,316	54,448	-	151,764
Disposals	-	-	-	-
At 31 December 2010	577,167	158,779	487,557	1,223,503
Amortisation				
At 1 January 2010	223,179	61,346	487,557	772,082
Provided for in the year	117,352	34,136	-	151,488
Disposals	-	-	-	-
At 31 December 2010	340,531	95,482	487,557	923,570
Net book value				
At 31 December 2010	236,636	63,297	-	299,933
At 31 December 2009	256,672	42,985	-	299,657

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

9. Tangible fixed assets

	Leasehold improvements £	Software, computer and telecom equipment £	Meters £	Fixtures and fittings £	Total £
Cost					
At 1 January 2010	30,024	2,508,326	1,582,556	172,361	4,293,267
Additions	-	1,096,087	1,312,440	64,933	2,473,460
Disposals	-	-	(734,792)	-	(734,792)
At 31 December 2010	30,024	3,604,413	2,160,204	237,294	6,031,935
Depreciation					
At 1 January 2010	30,024	1,632,338	242,033	106,679	2,011,074
Provided for in the year	-	627,650	196,725	31,106	855,481
Disposals	-	-	(119,741)	-	(119,741)
At 31 December 2010	30,024	2,259,988	319,017	137,785	2,746,814
Net book value					
At 31 December 2010	-	1,344,425	1,841,187	99,509	3,285,121
At 31 December 2009	-	875,988	1,340,523	65,682	2,282,193

Included in the net book value of meters above, are assets held under finance leases with a net book value of £ 353,235 at 31 December 2010 (2009 £229,796)

10. Stock

	2010 £	2009 £
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods and goods for resale	715,774	423,472
	<u>715,774</u>	<u>423,472</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

11 Debtors

Amounts falling due within one year

	2010 £	2009 £
Trade debtors	2,177,231	545,415
Other debtors	432,595	5,402,048
Prepayments and accrued income	9,599,566	3,918,234
Share capital not paid	2	2
Amounts owed by fellow subsidiary undertakings	710,025	502,963
	<u>12,919,418</u>	<u>10,368,662</u>

12 Creditors: amounts falling due within one year

	2010 £	2009 £
Obligations under finance leases	118,575	85,187
Trade creditors	2,570,194	2,762,807
Amounts owed to parent undertaking	13,007,125	13,054,734
Taxation and social security	467,141	190,482
Other creditors	2,044	902,565
Accruals	10,366,817	4,744,631
	<u>26,531,897</u>	<u>21,740,406</u>

The company has given a fixed and floating charge over its assets to its principal trading counterparty for amounts owed under the trading contract

13. Creditors: amounts falling due after more than one year

	2010 £	2009 £
Obligations under finance leases	299,417	275,339
	<u>299,417</u>	<u>275,339</u>
	2010 £	2009 £
Obligations under finance leases		
Within one year	118,575	85,187
Between one and two years	213,171	165,429
Between two and five years	86,246	109,910
	<u>417,992</u>	<u>360,526</u>

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

14. Called up share capital

	2010 £	2009 £
Authorised:		
100 (2009 100) ordinary shares of £1 each	100	100
Called up and allotted		
2 (2009 2) ordinary shares of £1 each	2	2

15. Profit and loss account

	2010 £	2009 £
At 1 January	(7,605,559)	(2,204,411)
Retained profit/(loss) for the year	618,794	(5,401,148)
At 31 December	(6,986,765)	(7,605,559)

16. Provisions for liabilities and charges

Deferred taxation

A deferred tax asset of £1,239,045 (2009 £2,136,876) in relation to tax losses has not been recognised on the grounds that the directors cannot currently anticipate suitable taxable profits to arise in the foreseeable future

A deferred tax asset of £585,649 (2009 £222,539) in relation to depreciation in excess of capital allowances and other timing differences has not been recognised on the grounds that the directors cannot currently anticipate suitable taxable profits to arise in the foreseeable future

17. Financial commitments

As at 31 December, the company had commitments as set out below

	2010 £	2009 £
Contracted but not provided for		
Energy contracts	35,830,623	13,794,621
Other	-	-
	35,830,623	13,794,621

18. Commitments under operating leases

As at 31 December, the company had annual commitments under non-cancellable operating leases as set out below

First Utility Limited

Notes to the financial statements Year ended 31 December 2010

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	10,125	1,940	-	2,177
Between one and two years	145,837	27,618	145,837	11,623
Between two and five years	-	-	-	27,618
	<u>155,962</u>	<u>29,558</u>	<u>145,837</u>	<u>41,418</u>

19. Derivatives not included at fair value

The company has derivatives which are not included at fair value in the accounts

	Fair value	
	2010 £	2009 £
Energy contracts	<u>3,943,518</u>	<u>(4,657,413)</u>

The company uses the derivatives to hedge its exposures to changes in market prices arising from energy purchases. The fair values are based on market values at the balance sheet date.

20. Ultimate parent company

At 31 December 2010 the company's ultimate parent company and controlling entity was Impello PLC, a company registered in England and Wales, which is the parent of both the smallest and largest groups of which the company is a member. Copies of that company's consolidated financial statements may be obtained from the registered office shown on page 1.

21. Related party transactions

In accordance with FRS 8 'Related Party disclosures', the Company is exempt from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent company who prepares consolidated financial statements which are publicly available (see note 19).

During 2010 the company was under common control with Sunbright Holding Company Limited and in 2010 was charged fees by Sunbright Holding Company Limited totalling £ 99,205 (2009 £150,344) in respect of marketing, strategic and financial services received. At 31 December 2010, £ 39,293 remained outstanding (2009 £115,704).

22. Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to produce a cash flow statement as 90% or more of the voting rights are controlled within the group and the consolidated financial statements of Impello PLC are publicly available (see note 19).