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XODUS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

WEDNESDAY



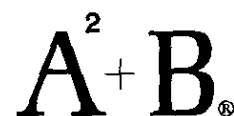
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COMPANIES HOUSE

XODUS GROUP LIMITED

COMPANY INFORMATION



DIRECTORS

Stephen Swindell
Colin Manson
Brian Meldrum
Richard Heard
Charles Parker

COMPANY SECRETARY

Stephen Swindell

COMPANY NUMBER

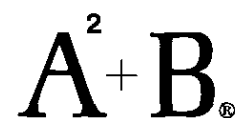
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REGISTERED OFFICE

Xodus House
Huntly Street
Aberdeen
AB10 1RS

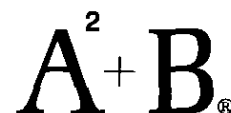
XODUS GROUP LIMITED

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XODUS GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009



The directors present their report and the financial statements for the year ended 30 September 2009.

DIRECTORS

The directors who served during the year were:

Stephen Swindell
Colin Manson
Brian Meldrum
Richard Heard
Charles Parker

RESULTS

The profit for the year, after taxation, amounted to £873,224 (2008 - £431,440).

PRINCIPAL ACTIVITIES

The principal activity of the group and company is the provision of consultancy services to the oil and gas industry.

BUSINESS REVIEW

2009 trading for Xodus Group was understandably difficult. The first quarter saw growth in certain areas however the financial crisis and resulting recession affected some of our clients which saw a number of projects being put on hold.

The 2nd quarter saw the oil price reach a 4 year low which, coupled with dropping investment for some of the smaller operators put even more pressure on Xodus Group. Margins were affected, driven by cost cutting in the majority of the oil majors. In addition Xodus Group opened a new Hub office in January 2009. Low utilisation in a new office combined with startup costs and reduced margins made 2nd quarter trading difficult.

A re-focused marketing campaign, particularly in London, and a drive to bring down Xodus costs helped trading in 3rd quarter, resulting in all Hubs, with the exception of London, operating in profit.

An increasing oil price through our 4th quarter and a return to banking stability saw a return to sustainable utilisation figures however margins continued to be low which ultimately affected our profitability.

The outlook for 2010 is much healthier. The London, Perth and Aberdeen Hubs are all growing with 30% expected in Aberdeen, 100% in London and 10% in Perth. In addition to organic growth of these levels we plan to be the 1st ever consultancy to develop a fully integrated Surface/ Subsurface capability. To do this we plan to setup a new Wells and Subsurface Division.

In addition we aim to grow our alternative energy business from £500k turnover in 2009 to £1.5m turnover in 2010 and then to £6m in 2011.

Xodus Group will also establish a 4th Hub office in the Middle East in the 4th quarter of 2010 which will fuel our growth in this region.

XODUS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

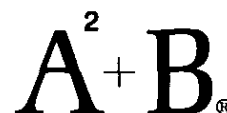


.....
Colin Manson
Director

Date: 23/10/2009

XODUS GROUP LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



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

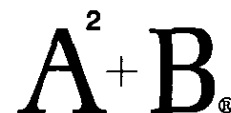
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

XODUS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF XODUS GROUP LIMITED



We have audited the group and parent company financial statements (the "financial statements") of Xodus Group Limited for the year ended 30 September 2009, set out on pages 6 to 27. 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 Auditors' 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 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 group's and the parent 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 group's and the parent company's affairs as at 30 September 2009 and of the group's 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.

XODUS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
XODUS GROUP LIMITED

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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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Anderson Anderson & Brown LLP

James Pirrie (Senior statutory auditor)

for and on behalf of

ANDERSON ANDERSON & BROWN LLP

Statutory Auditor

9 Queens Road
Aberdeen
AB15 4YL

Date: *23rd June 2010*

XODUS GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



	Note	2009 £	2008 £
TURNOVER	2	13,948,842	11,367,198
Cost of sales		(9,621,382)	(8,141,482)
GROSS PROFIT		4,327,460	3,225,716
Administrative expenses		(3,247,143)	(2,677,500)
Other operating income		1,553	1,677
OPERATING PROFIT	3	1,081,870	549,893
Share of associate operating profit		158,531	284,809
Interest receivable		21,775	19,492
Interest payable	6	(74,698)	(159,473)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,187,478	694,721
Tax on profit on ordinary activities	7	(314,254)	(263,281)
PROFIT FOR THE FINANCIAL YEAR	17	873,224	431,440

All amounts relate to continuing operations.

The notes on pages 12 to 27 form part of these financial statements.

XODUS GROUP LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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	2009 £	2008 £
PROFIT FOR THE FINANCIAL YEAR	873,224	431,440
Gain on exchange from associate undertaking	74,397	533
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>947,621</u>	<u>431,973</u>

The notes on pages 12 to 27 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	8		506,100		377,834
Tangible fixed assets	9		829,104		767,448
Investments in associates	10		447,953		266,194
			<u>1,783,157</u>		<u>1,411,476</u>
CURRENT ASSETS					
Debtors	11	4,054,876		4,068,388	
Cash at bank and in hand		6,663		18,076	
		<u>4,061,539</u>		<u>4,086,464</u>	
CREDITORS: amounts falling due within one year	12	(3,490,230)		(4,158,670)	
NET CURRENT ASSETS/(LIABILITIES)			<u>571,309</u>		<u>(72,206)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,354,466</u>		<u>1,339,270</u>
CREDITORS: amounts falling due after more than one year	13		(320,100)		(249,102)
PROVISIONS FOR LIABILITIES					
Deferred tax	14	-		(1,870)	
Other provisions	15	(44,887)		(46,440)	
		<u>(44,887)</u>		<u>(48,310)</u>	
NET ASSETS			<u><u>1,989,479</u></u>		<u><u>1,041,858</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		235,025		235,025
Share premium account	17		114,975		114,975
Foreign exchange reserve	17		81,838		7,441
Profit and loss account	17		1,557,641		684,417
SHAREHOLDERS' FUNDS	18		<u><u>1,989,479</u></u>		<u><u>1,041,858</u></u>

XODUS GROUP LIMITED

CONSOLIDATED BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2009

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
• **Colin Manson**
Director

• Date: 23 June 2010

XODUS GROUP LIMITED
REGISTERED NUMBER: SC286421

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2009

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	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	8		236,766		93,331
Tangible fixed assets	9		439,852		367,521
Fixed asset investments	10		604,309		604,309
			<u>1,280,927</u>		<u>1,065,161</u>
CURRENT ASSETS					
Debtors	11	4,048,640		4,064,785	
Cash at bank and in hand		2,658		1,121	
		<u>4,051,298</u>		<u>4,065,906</u>	
CREDITORS: amounts falling due within one year	12	(3,746,635)		(4,299,767)	
NET CURRENT ASSETS/(LIABILITIES)			<u>304,663</u>		<u>(233,861)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,585,590</u>		<u>831,300</u>
CREDITORS: amounts falling due after more than one year	13		(82,422)		-
NET ASSETS			<u><u>1,503,168</u></u>		<u><u>831,300</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		235,025		235,025
Share premium account	17		114,975		114,975
Profit and loss account	17		1,153,168		481,300
SHAREHOLDERS' FUNDS	18		<u><u>1,503,168</u></u>		<u><u>831,300</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

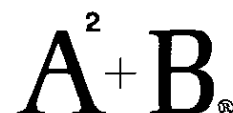

Colin Manson
Director

Date: 23 June 2010

The notes on pages 12 to 27 form part of these financial statements.

XODUS GROUP LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



	Note	2009 £	2008 £
Net cash flow from operating activities	19	1,170,530	776,867
Returns on investments and servicing of finance	20	(30,520)	(118,468)
Taxation		(176,259)	(69,858)
Capital expenditure and financial investment	20	(456,907)	(267,943)
CASH INFLOW BEFORE FINANCING		<u>506,844</u>	<u>320,598</u>
Financing	20	(97,075)	(554,504)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u><u>409,769</u></u>	<u><u>(233,906)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	2009 £	2008 £
Increase/(Decrease) in cash in the year	409,769	(233,906)
Cash outflow from decrease in debt and lease financing	<u>97,075</u>	<u>554,504</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>506,844</u>	<u>320,598</u>
Net debt at 1 October 2008	(1,974,166)	(2,294,764)
NET DEBT AT 30 SEPTEMBER 2009	<u><u>(1,467,322)</u></u>	<u><u>(1,974,166)</u></u>

The notes on pages 12 to 27 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of Xodus Group Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	2% Straight line
Motor vehicles	-	25% Reducing balance
Furniture, fittings & equipment	-	25-33% Reducing balance
Tenants improvements	-	10% straight line

1.4 Taxation

Current tax, including UK corporation tax and foreign 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 is recognised in respect of all timing differences that have been originated but not reversed at 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in the period which are different from those recognised in the financial statements. Deferred tax has been measured on a non-discounted basis.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss Account.

1. ACCOUNTING POLICIES (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are stated at the amount of the company's share of net assets. The Profit and loss Account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.
- (iii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.9 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss Account over its estimated economic life.

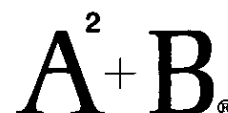
Licenses are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of ten years.

1.10 Operating leases

Rentals under operating leases are charged to the Profit and loss Account on a straight line basis over the lease term.

1.11 Research and development

Research and development expenditure is written off to the profit and loss account as incurred.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009****2. TURNOVER**

The whole of the turnover is attributable to net invoiced sales of services, excluding value added tax.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2009 £	2008 £
Amortisation of goodwill	15,169	15,169
Amortisation of licences	10,703	846
Depreciation of tangible fixed assets:		
- owned by the group	208,840	254,896
- held under finance leases	32,273	46,754
Auditors' remuneration	19,000	17,000
Operating lease rentals:		
- plant and machinery	8,286	4,950
- land and buildings	243,819	136,000
Difference on foreign exchange	(47,905)	(5,603)
Grants released	(1,553)	(1,677)
	<u> </u>	<u> </u>

Included within gain on foreign exchange is a gain on the retranslation of loan balance due from Xodus Group PTY of £51,889.

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

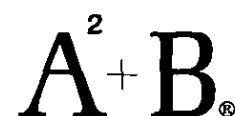
	2009 £	2008 £
Wages and salaries	4,972,806	4,640,484
Social security costs	572,898	508,114
Other pension costs	468,215	358,499
	<u> </u>	<u> </u>
	6,013,919	5,507,097
	<u> </u>	<u> </u>

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

	2009 No.	2008 No.
Directors	5	5
Administration	11	9
Technical	85	71
	<u> </u>	<u> </u>
	101	85
	<u> </u>	<u> </u>

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



5. DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments	<u>590,184</u>	<u>707,998</u>

During the year retirement benefits were accruing to 3 directors (2008 - 3) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £198,028 (2008 - £192,874).

The amount paid to a former director (included in other emoluments) in respect of compensation for loss of office during the year was £nil (2008 - £70,000).

6. INTEREST PAYABLE

	2009 £	2008 £
On bank loans and overdrafts	15,606	71,461
Share of associates' interest payable	22,403	21,513
Other interest payable	36,689	66,499
	<u>74,698</u>	<u>159,473</u>

7. TAXATION

	2009 £	2008 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	327,189	173,653
Adjustments in respect of prior periods	-	17,206
	<u>327,189</u>	<u>190,859</u>
Foreign tax on income for the year	2,390	1,883
	<u>329,579</u>	<u>192,742</u>
Share of associates' current tax	28,767	87,578
	<u>358,346</u>	<u>280,320</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	(44,092)	(17,039)
	<u>314,254</u>	<u>263,281</u>
Tax on profit on ordinary activities		

7. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below:

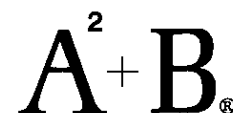
	2009 £	2008 £
Profit on ordinary activities before tax	1,187,478	694,721
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 29%)	332,494	201,469
Effects of:		
Expenses not deductible for tax purposes	88,766	57,068
Capital allowances for year in excess of depreciation	11,140	39,172
Additional relief for research and development	(67,183)	(34,301)
Other short term timing differences	4,236	(113)
Higher rate taxes on overseas earnings	-	(1,883)
Adjustments to tax charge in respect of prior periods and overseas taxation	-	18,908
Corporation tax rate differences	4,256	-
Associate share of profit and taxation - rate differences	(9,348)	-
Marginal relief	(6,015)	-
Current tax charge for the year (see note above)	358,346	280,320

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



8. INTANGIBLE FIXED ASSETS

Group	Licences £	Goodwill £	Total £
Cost			
At 1 October 2008	94,177	303,464	397,641
Additions	154,138	-	154,138
At 30 September 2009	248,315	303,464	551,779
Amortisation			
At 1 October 2008	846	18,961	19,807
Charge for the year	10,703	15,169	25,872
At 30 September 2009	11,549	34,130	45,679
Net book value			
At 30 September 2009	236,766	269,334	506,100
At 30 September 2008	93,331	284,503	377,834

Company	Licences £
Cost	
At 1 October 2008	94,177
Additions	154,138
At 30 September 2009	248,315
Amortisation	
At 1 October 2008	846
Charge for the year	10,703
At 30 September 2009	11,549
Net book value	
At 30 September 2009	236,766
At 30 September 2008	93,331

9. TANGIBLE FIXED ASSETS

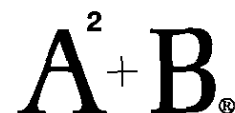
Group	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Tenants improvements £	Total £
Cost					
At 1 October 2008	371,763	4,800	970,121	121,664	1,468,348
Additions	6,588	-	124,668	171,513	302,769
At 30 September 2009	<u>378,351</u>	<u>4,800</u>	<u>1,094,789</u>	<u>293,177</u>	<u>1,771,117</u>
Depreciation					
At 1 October 2008	11,147	2,097	674,525	13,131	700,900
Charge for the year	7,435	676	201,013	31,989	241,113
At 30 September 2009	<u>18,582</u>	<u>2,773</u>	<u>875,538</u>	<u>45,120</u>	<u>942,013</u>
Net book value					
At 30 September 2009	<u>359,769</u>	<u>2,027</u>	<u>219,251</u>	<u>248,057</u>	<u>829,104</u>
At 30 September 2008	<u>360,616</u>	<u>2,703</u>	<u>295,596</u>	<u>108,533</u>	<u>767,448</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2009 £	2008 £
Furniture, fittings and equipment	97,562	-
Tenants improvements	29,636	-
	<u>127,198</u>	<u>-</u>

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



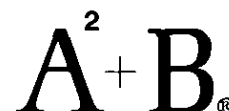
Company	Furniture fittings and equipment £	Computer equipment £	Tenants improvements £	Total £
Cost				
At 1 October 2008	136,150	721,366	121,664	979,180
Additions	70,846	53,822	171,513	296,181
At 30 September 2009	206,996	775,188	293,177	1,275,361
Depreciation				
At 1 October 2008	102,366	496,162	13,131	611,659
Charge for the year	32,437	159,424	31,989	223,850
At 30 September 2009	134,803	655,586	45,120	835,509
Net book value				
At 30 September 2009	72,193	119,602	248,057	439,852
At 30 September 2008	33,784	225,204	108,533	367,521

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	2009 £	2008 £
Furniture fittings and equipment	56,067	-
Computer equipment	41,495	-
Tenants improvements	29,636	-
	127,198	-

10. FIXED ASSET INVESTMENTS

Group	Investments in participating interests £
Cost or valuation	
At 1 October 2008	266,194
Foreign exchange movement	74,398
Share of profit	107,361
At 30 September 2009	447,953

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009****10. FIXED ASSET INVESTMENTS (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Aurora Environmental Limited

Country of incorporation: Scotland
 Holding: Ordinary shares
 Nature of business: Provision of environmental consultancy
 Proportion of shares held: 100%

Xodus Group Pty Limited

Country of incorporation: Australia
 Holding: Ordinary shares
 Nature of business: Provision of engineering design services
 Proportion of shares held: 51%

Xodus Recruitment Limited

Country of incorporation: Scotland
 Holding: Ordinary shares
 Nature of business: Dormant
 Proportion of shares held: 100%

Xodus Oil and Gas Consultants Limited

Country of incorporation: Scotland
 Holding: Ordinary shares
 Nature of business: Dormant
 Proportion of shares held: 100%

Xodus Subsea Limited

Country of incorporation: Scotland
 Holding: Ordinary shares
 Nature of business: Dormant
 Proportion of shares held: 100%

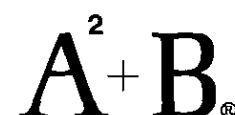
Xodus Technologies Limited

Country of incorporation: Scotland
 Holding: Ordinary shares
 Nature of business: Dormant
 Proportion of shares held: 100%

Company	Shares in group undertakings £	Investments in participating interests £	Total £
Cost or valuation			
At 1 October 2008 and 30 September 2009	501,800	102,509	604,309

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	2,929,368	3,404,893	2,929,368	3,404,893
Amounts owed by group undertakings	302,058	229,013	294,094	229,008
Other debtors	781,228	434,482	781,228	430,884
Deferred tax asset (see note 14)	42,222	-	43,950	-
	<u>4,054,876</u>	<u>4,068,388</u>	<u>4,048,640</u>	<u>4,064,785</u>

12. CREDITORS:

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	221,914	243,805	220,043	232,126
Other loans	525	191,260	-	190,000
Net obligations under finance leases and hire purchase contracts	37,372	3,825	37,372	3,825
Trade creditors	825,733	463,960	825,732	461,316
Amounts owed to group undertakings	-	-	307,463	187,175
Corporation tax	326,972	173,652	289,234	154,029
Social security and other taxes	699,928	820,428	693,033	813,038
Invoice discounting account	894,074	1,304,250	894,074	1,304,250
Accruals and deferred income	483,712	957,490	479,684	954,008
	<u>3,490,230</u>	<u>4,158,670</u>	<u>3,746,635</u>	<u>4,299,767</u>

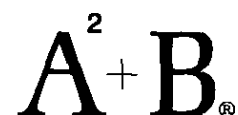
The bank borrowings are secured by a standard security over the land and buildings together with a bond and floating charge over all the assets of the group.

The invoice discounting account is secured over the debts of the company.

Hire purchase liabilities are secured over the relevant asset being financed.

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



13. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans	227,183	238,082	-	-
Other loans	10,495	11,020	-	-
Net obligations under finance leases and hire purchase contracts	82,422	-	82,422	-
	<u>320,100</u>	<u>249,102</u>	<u>82,422</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Repayable by instalments	159,756	175,601	-	-
Repayable other than by instalments	10,495	10,495	-	-
	<u>170,251</u>	<u>186,096</u>	<u>-</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

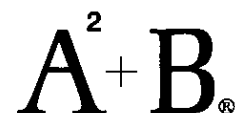
	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Between one and five years	<u>82,422</u>	<u>-</u>	<u>82,422</u>	<u>-</u>

14. DEFERRED TAXATION

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
At beginning of year	(1,870)	(18,909)	-	(16,483)
Released during the year	44,092	17,039	43,950	16,483
	<u>42,222</u>	<u>(1,870)</u>	<u>43,950</u>	<u>-</u>

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



14. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Accelerated capital allowances	(29,629)	1,870	(31,357)	-
Short term timing differences	(12,593)	-	(12,593)	-
	<u>(42,222)</u>	<u>1,870</u>	<u>(43,950)</u>	<u>-</u>

15. DEFERRED GRANTS

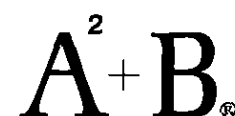
Group	£
At 1 October 2008	46,440
Amounts used	(1,553)
	<u>44,887</u>
At 30 September 2009	

16. SHARE CAPITAL

	2009	2008
	£	£
Allotted, called up and fully paid		
200,000 Ordinary A shares of £1 each	200,000	200,000
35,025 Ordinary B shares of £1 each	35,025	35,025
	<u>235,025</u>	<u>235,025</u>

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



17. RESERVES

Group	Share premium account £	Foreign exchange reserve £	Profit and loss account £
At 1 October 2008	114,975	7,441	684,417
Profit for the year	-	-	873,224
Movement on foreign exchange	-	74,397	-
At 30 September 2009	<u>114,975</u>	<u>81,838</u>	<u>1,557,641</u>

Company	Share premium account £	Profit and loss account £
At 1 October 2008	114,975	481,300
Profit for the year	-	671,868
At 30 September 2009	<u>114,975</u>	<u>1,153,168</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2009 £	2008 £
Opening shareholders' funds	1,041,858	609,885
Profit for the year	873,224	431,440
Other recognised gains and losses during the year	74,397	533
Closing shareholders' funds	<u>1,989,479</u>	<u>1,041,858</u>

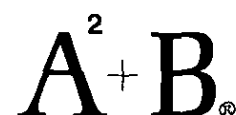
Company	2009 £	2008 £
Opening shareholders' funds	831,300	624,343
Profit for the year	671,868	206,957
Closing shareholders' funds	<u>1,503,168</u>	<u>831,300</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss Account.

The profit for the year dealt with in the accounts of the company was £671,868 (2008 - £206,957).

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**



19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	1,081,870	549,893
Amortisation of intangible fixed assets	25,872	16,015
Depreciation of tangible fixed assets	241,113	301,650
Decrease/(increase) in debtors	128,779	(1,019,514)
Increase in amounts owed by group undertakings	(73,045)	-
(Decrease)/increase in creditors	(232,506)	928,823
Decrease in provisions	(1,553)	-
	-	-
Net cash inflow from operating activities	1,170,530	776,867

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	21,775	19,492
Interest paid	(52,295)	(137,960)
Net cash outflow from returns on investments and servicing of finance	(30,520)	(118,468)

	2009 £	2008 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(154,138)	(94,177)
Purchase of tangible fixed assets	(302,769)	(173,766)
Net cash outflow from capital expenditure	(456,907)	(267,943)

	2009 £	2008 £
Financing		
Repayment of loans	(21,784)	(509,291)
Repayment of other loans	(191,260)	(45,213)
New finance leases	115,969	-
Net cash outflow from financing	(97,075)	(554,504)

21. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2008 £	Cash flow £	Other non-cash changes £	30 September 2009 £
Cash at bank and in hand	18,076	(11,413)	-	6,663
Bank overdraft	(232,920)	11,006	-	(221,914)
Invoice discounting account	(1,304,250)	410,176	-	(894,074)
	<u>(1,519,094)</u>	<u>409,769</u>	<u>-</u>	<u>(1,109,325)</u>
Debt:				
Debts due within one year	(205,970)	97,075	70,998	(37,897)
Debts falling due after more than one year	(249,102)	-	(70,998)	(320,100)
	<u>(1,974,166)</u>	<u>506,844</u>	<u>-</u>	<u>(1,467,322)</u>
Net debt	<u>(1,974,166)</u>	<u>506,844</u>	<u>-</u>	<u>(1,467,322)</u>

22. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £468,215 (2008 - £358,500). Contributions totalling £45,773 (2008 - £32,316) were payable to the fund at the year end and are included in creditors.

23. OPERATING LEASE COMMITMENTS

At 30 September 2009 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group and company	2009 £	2008 £	2009 £	2008 £
Expiry date:				
Within 1 year	33,651	26,832	-	-
Between 2 and 5 years	213,038	21,000	11,048	6,600
After more than 5 years	112,750	112,750	-	-
	<u>359,439</u>	<u>260,582</u>	<u>11,048</u>	<u>6,600</u>

24. RELATED PARTY TRANSACTIONS**Control**

Throughout the year the group was controlled by the directors.

Transactions

During the year the group had the following transactions with related parties:

	Transaction	£	Balance at year end £
Xodus Group PTY Limited, associate company	Purchases	(85,123)	302,058
	Loan movement	65,055	
John Lawrie (Aberdeen) Limited, a company in which B Meldrum and C Parker are directors	Management fee	80,000	(80,000)
	Loan		10,000
C Manson, director			

An unsecured loan to director C Manson was outstanding during the year. The balance on all the loan was £10,000 at the beginning and end of the year end. The maximum balance outstanding during the year was £10,000. No interest has been charged on the loan.