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XODUS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2010

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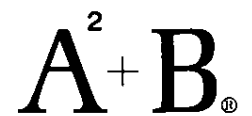
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COMPANIES HOUSE

XODUS GROUP LIMITED

COMPANY INFORMATION



DIRECTORS

Stephen Swindell
Colin Manson
Brian Meldrum (resigned 14 March 2011)
Richard Heard (resigned 14 March 2011)
Charles Parker (resigned 14 March 2011)

COMPANY SECRETARY

Stephen Swindell

COMPANY NUMBER

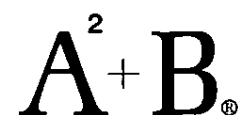
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REGISTERED OFFICE

Xodus House
Huntly Street
Aberdeen
AB10 1RS

XODUS GROUP LIMITED

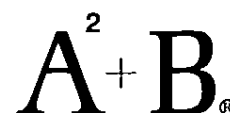
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XODUS GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010



The directors present their report and the financial statements for the period ended 31 December 2010.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

2010 trading for Xodus Group was continued to be difficult for Xodus Group, primarily as a result of the World recession and the instability in market places.

However Xodus still managed to grow the business and made a strategic decision to prepare for the inevitable upturn that would hit the industry in 2011.

Trading in London was particularly difficult as it was both a relatively new office and the market is predominantly CAPEX driven which was the major market affected by the downturn.

The Scotland office was less affected due to the large volume of OPEX related work.

Strategically, Xodus began discussion to sell the Perth operation. The main driver for this decision was to re-focus our attention on areas that were more in our control - Xodus only owned 51% of the Pty operation which made the management of it very difficult. In addition we began speaking to a private equity company about bringing in new investment.

We also set up a new company, Xodus Subsurface. This company became the 6th division for Xodus with the company being incorporated in July 2010.

The outlook for 2011 is fantastic. Investment is in place, a new board structure, the implementation of an operational board and the market is very buoyant.

Growth plans are to increase turnover by approximately 50% with organic growth across all sites. In addition we plan new offices in Lagos (a JV), Houston, Oslo, The Hague, Glasgow and Southampton. There are also opportunities in the Middle East and in Rio, however our strategy is to be sales led in these areas, i.e. we will look for large contracts prior to setting up.

Subsurface/ Surface integration will get a large focus as we believe this will be the true USP for Xodus in the years to come.

RESULTS

The profit for the period, after taxation and minority interests, amounted to £4,335,488 (2009 - £873,224).

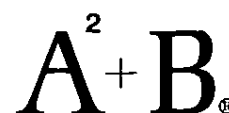
DIRECTORS

The directors who served during the period were:

Stephen Swindell
Colin Manson
Brian Meldrum (resigned 14 March 2011)
Richard Heard (resigned 14 March 2011)
Charles Parker (resigned 14 March 2011)

XODUS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2010**



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.

GOING CONCERN

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

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

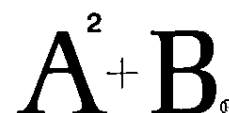
A handwritten signature in black ink, appearing to read 'Colin Manson', written over a dotted line.

Colin Manson
Director

Date: 29/9/11

XODUS GROUP LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 DECEMBER 2010**



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

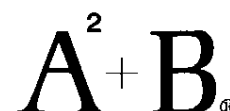
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 financial statements of Xodus Group Limited for the period ended 31 December 2010, set out on pages 6 to 29. 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 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 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 31 December 2010 and of the group's profit for the period 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 period 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 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

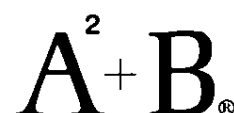
Aberdeen

AB15 4YL

Date: *29th September 2011*

XODUS GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2010**



	Note	2010 £	2009 £
TURNOVER	2	28,629,266	13,948,842
Cost of sales		(20,397,502)	(9,621,382)
GROSS PROFIT		8,231,764	4,327,460
Administrative expenses		(6,637,881)	(3,247,143)
Exceptional profit on sale of investment		3,525,713	-
Total administrative expenses		(3,112,168)	(3,247,143)
Other operating income		1,405	1,553
OPERATING PROFIT	3	5,121,001	1,081,870
Shares of associate operating profit		-	158,531
Interest receivable and similar income	6	19,587	21,775
Interest payable and similar charges	7	(91,363)	(74,698)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,049,225	1,187,478
Tax on profit on ordinary activities	8	(738,737)	(314,254)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,310,488	873,224
Minority interests		25,000	-
PROFIT FOR THE FINANCIAL PERIOD	18	4,335,488	873,224

All amounts relate to continuing operations.

The notes on pages 11 to 29 form part of these financial statements.

XODUS GROUP LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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	2010 £	2009 £
PROFIT FOR THE FINANCIAL PERIOD	4,335,488	873,224
Gain on exchange from associate undertaking	-	74,397
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>4,335,488</u>	<u>947,621</u>

The notes on pages 11 to 29 form part of these financial statements.

XODUS GROUP LIMITED
REGISTERED NUMBER: SC286421

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010**

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	Note	31 December 2010 £	30 September 2009 £
FIXED ASSETS			
Intangible assets	9	464,700	506,100
Tangible assets	10	1,608,405	829,104
Investments in associates	11	-	447,953
		<u>2,073,105</u>	<u>1,783,157</u>
CURRENT ASSETS			
Debtors	12	7,504,569	4,054,876
Cash at bank and in hand		2,849,903	6,663
		<u>10,354,472</u>	<u>4,061,539</u>
CREDITORS: amounts falling due within one year	13	<u>(5,760,202)</u>	<u>(3,490,230)</u>
NET CURRENT ASSETS		<u>4,594,270</u>	<u>571,309</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,667,375</u>	<u>2,354,466</u>
CREDITORS: amounts falling due after more than one year	14	(298,926)	(320,100)
PROVISIONS FOR LIABILITIES			
Other provisions	16	(43,482)	(44,887)
NET ASSETS		<u><u>6,324,967</u></u>	<u><u>1,989,479</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	235,025	235,025
Share premium account	18	114,975	114,975
Foreign exchange reserve	18	-	81,838
Profit and loss account	18	5,974,967	1,557,641
SHAREHOLDERS' FUNDS	19	<u><u>6,324,967</u></u>	<u><u>1,989,479</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: 29/9/11

The notes on pages 11 to 29 form part of these financial statements.

XODUS GROUP LIMITED
REGISTERED NUMBER: SC286421

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2010

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	Note	31 December 2010 £	30 September 2009 £
FIXED ASSETS			
Intangible assets	9	214,327	236,766
Tangible assets	10	1,237,901	439,852
Investments	11	561,800	604,309
		<u>2,014,028</u>	<u>1,280,927</u>
CURRENT ASSETS			
Debtors	12	7,574,572	4,048,640
Cash at bank and in hand		2,832,365	2,658
		<u>10,406,937</u>	<u>4,051,298</u>
CREDITORS: amounts falling due within one year	13	<u>(6,029,234)</u>	<u>(3,746,635)</u>
NET CURRENT ASSETS		<u>4,377,703</u>	<u>304,663</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,391,731</u>	<u>1,585,590</u>
CREDITORS: amounts falling due after more than one year	14	<u>(105,819)</u>	<u>(82,422)</u>
NET ASSETS		<u><u>6,285,912</u></u>	<u><u>1,503,168</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	235,025	235,025
Share premium account	18	114,975	114,975
Profit and loss account	18	5,935,912	1,153,168
SHAREHOLDERS' FUNDS	19	<u><u>6,285,912</u></u>	<u><u>1,503,168</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: 29/9/11

The notes on pages 11 to 29 form part of these financial statements.

XODUS GROUP LIMITED**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2010****A² + B[®]**

	Note	2010 £	2009 £
Net cash flow from operating activities	20	142,458	1,170,530
Returns on investments and servicing of finance	21	(71,776)	(30,520)
Taxation		(959,759)	(176,259)
Capital expenditure and financial investment	21	(1,142,613)	(456,907)
Acquisitions and disposals	21	3,973,666	-
CASH INFLOW BEFORE FINANCING		1,941,976	506,844
Financing	21	68,919	(97,075)
INCREASE IN CASH IN THE PERIOD		2,010,895	409,769

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	2010 £	2009 £
Increase in cash in the period	2,010,895	409,769
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(43,919)	97,075
MOVEMENT IN NET DEBT IN THE PERIOD	1,966,976	506,844
Net debt at 1 October 2009	(1,467,322)	(1,974,166)
NET FUNDS/(DEBT) AT 31 DECEMBER 2010	499,654	(1,467,322)

The notes on pages 11 to 29 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 period are included from the effective date of acquisition.

The results of subsidiaries sold are included up to the effective date of disposal.

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 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.

1.5 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 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.

1.6 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 period.

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 Research and development

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

1.10 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.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

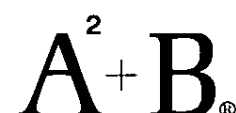
A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

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

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010****3. OPERATING PROFIT**

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

	2010 £	2009 £
Amortisation of goodwill	18,961	15,169
Amortisation of licences	31,039	10,703
Depreciation of tangible fixed assets:		
- owned by the group	229,881	208,840
- held under finance leases	124,831	32,273
Auditors' remuneration	21,000	19,000
Operating lease rentals:		
- plant and machinery	23,376	8,286
- other operating leases	854,999	243,819
Difference on foreign exchange	401	(47,905)
Research and development expenditure written off	14,225	88,603
Exceptional profit on sale of investment	(3,525,713)	-
Grants released	(1,405)	(1,553)
	<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 £nil (2009 - £51,889).

The investment in Xodus Group PTY was sold during the financial period resulting in an exceptional gain on disposal of £3,525,713 (Note 11).

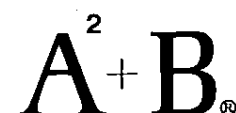
4. STAFF COSTS

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

	2010 £	2009 £
Wages and salaries	9,665,127	4,972,806
Social security costs	963,419	572,898
Other pension costs	855,864	468,215
	<u> </u>	<u> </u>
	11,484,410	6,013,919
	<u> </u>	<u> </u>

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

	2010 No.	2009 No.
Directors	5	5
Administration	20	11
Technical	104	85
	<u> </u>	<u> </u>
	129	101
	<u> </u>	<u> </u>

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010****5. DIRECTORS' REMUNERATION**

	2010 £	2009 £
Emoluments	1,128,518	590,184
Company pension contributions to defined contribution pension schemes	31,490	35,499

During the period retirement benefits were accruing to 1 director (2009 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £455,203 (2009 - £198,028).

6. INTEREST RECEIVABLE

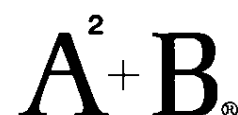
	2010 £	2009 £
Share of associates' interest receivable	-	21,775
Bank interest receivable	19,587	-
	19,587	21,775

7. INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	7,375	15,606
Share of associates' interest payable	-	22,403
Other interest payable	83,988	36,689
	91,363	74,698

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



8. TAXATION

	2010 £	2009 £
Analysis of tax charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit for the period/year	680,821	327,189
Adjustments in respect of prior periods	6,651	-
Foreign tax on income for the period/year	687,472	327,189
	14,409	2,390
	701,881	329,579
Share of associates' current tax	-	28,767
Total current tax	701,881	358,346
Deferred tax		
Origination and reversal of timing differences	45,112	(44,092)
Adjustment relating to prior year	(8,256)	-
Total deferred tax (see note 15)	36,856	(44,092)
Tax on profit on ordinary activities	738,737	314,254

8. TAXATION (continued)**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below:

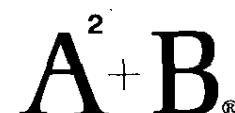
	2010 £	2009 £
Profit on ordinary activities before tax	5,049,225	1,187,478
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	1,413,783	332,494
Effects of:		
Income not deductible for tax purposes	(729,108)	-
Expenses not deductible for tax purposes	42,174	88,766
Capital allowances for period/year in excess of depreciation	(50,510)	11,140
Adjustments to tax charge in respect of prior periods	6,651	-
Short term timing difference leading to an increase (decrease) in taxation	8,437	4,236
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(31,587)	(67,183)
Unrelieved tax losses carried forward	47,728	-
Corporation tax rate differences	(5,687)	4,256
Associate share of profit and taxation - rate differences	-	(9,348)
Marginal relief	-	(6,015)
Current tax charge for the period/year (see note above)	701,881	358,346

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 PERIOD ENDED 31 DECEMBER 2010**



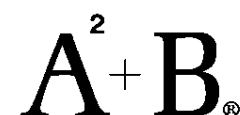
9. INTANGIBLE FIXED ASSETS

Group	Licences £	Goodwill £	Total £
Cost			
At 1 October 2009	248,315	303,464	551,779
Additions	8,600	-	8,600
At 31 December 2010	256,915	303,464	560,379
Amortisation			
At 1 October 2009	11,549	34,130	45,679
Charge for the period	31,039	18,961	50,000
At 31 December 2010	42,588	53,091	95,679
Net book value			
At 31 December 2010	214,327	250,373	464,700
At 30 September 2009	236,766	269,334	506,100

Company	Licences £
Cost	
At 1 October 2009	248,315
Additions	8,600
At 31 December 2010	256,915
Amortisation	
At 1 October 2009	11,549
Charge for the period	31,039
At 31 December 2010	42,588
Net book value	
At 31 December 2010	214,327
At 30 September 2009	236,766

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



10. TANGIBLE FIXED ASSETS

Group	Land & buildings £	Motor vehicles £	Furniture, fittings and equipment £	Tenants improvements £	Total £
Cost					
At 1 October 2009	378,351	4,800	1,094,789	293,177	1,771,117
Additions	-	-	411,960	722,053	1,134,013
At 31 December 2010	378,351	4,800	1,506,749	1,015,230	2,905,130
Depreciation					
At 1 October 2009	18,582	2,773	875,538	45,120	942,013
Charge for the period	9,536	633	218,761	125,782	354,712
At 31 December 2010	28,118	3,406	1,094,299	170,902	1,296,725
Net book value					
At 31 December 2010	350,233	1,394	412,450	844,328	1,608,405
At 30 September 2009	359,769	2,027	219,251	248,057	829,104

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

Group	31 December 2010 £	30 September 2009 £
Furniture, fittings and equipment	76,803	97,562
Other fixed assets	48,315	29,636
	125,118	127,198

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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Company	Furniture, fittings & equipment £	Computer equipment £	Tenants Improvement s £	Total £
Cost				
At 1 October 2009	208,245	775,188	293,177	1,276,610
Additions	121,830	290,130	722,053	1,134,013
At 31 December 2010	<u>330,075</u>	<u>1,065,318</u>	<u>1,015,230</u>	<u>2,410,623</u>
Depreciation				
At 1 October 2009	136,052	655,586	45,120	836,758
Charge for the period	65,629	145,504	124,831	335,964
At 31 December 2010	<u>201,681</u>	<u>801,090</u>	<u>169,951</u>	<u>1,172,722</u>
Net book value				
At 31 December 2010	<u>128,394</u>	<u>264,228</u>	<u>845,279</u>	<u>1,237,901</u>
At 30 September 2009	<u>72,193</u>	<u>119,602</u>	<u>248,057</u>	<u>439,852</u>

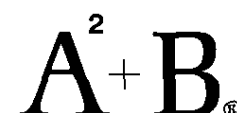
The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	31 December 2010 £	30 September 2009 £
Computer equipment	45,833	56,067
Furniture, fittings and furnishings	30,970	41,495
Tenants' improvements	48,315	29,636
	<u>125,118</u>	<u>127,198</u>

11. FIXED ASSET INVESTMENTS

Group	Investments in associates £
Cost or valuation	
At 1 October 2009	447,953
Disposals	(447,953)
At 1 October 2009 and 31 December 2010	<u>-</u>
Net book value	
At 31 December 2010	<u>-</u>
At 30 September 2009	<u>447,953</u>

During the financial period, the group's investment in Xodus Group PTY was sold.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010****11. 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 Subsurface Limited
Country of incorporation: Scotland
Holding: Ordinary shares
Nature of business: Provision of subsurface consultancy
Proportion of shares held: 71%

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

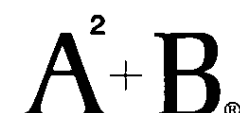
Xodus Oil and Gas Consultants Limited
Country of incorporation: Scotland
Holding: Ordinary shares
Nature of business: Dormant
Proportion of shares held: 100%

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%

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



11. FIXED ASSET INVESTMENTS (continued)

Company	Investments in group undertakings £
Cost or valuation	
At 1 October 2009	604,309
Additions	60,000
Disposals	(102,509)
At 31 December 2010	561,800
Net book value	
At 31 December 2010	561,800
At 30 September 2009	604,309

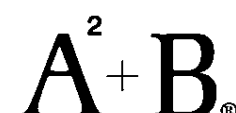
During the financial period the company invested in the ordinary share capital of Xodus Subsurface Limited at a cost of £60,000.

12. DEBTORS

	Group		Company	
	31 December 2010 £	30 September 2009 £	31 December 2010 £	30 September 2009 £
Trade debtors	4,086,773	2,929,368	4,086,773	2,929,368
Amounts owed by group undertakings	-	302,058	69,465	294,094
Other debtors	3,412,430	781,228	3,412,430	781,228
Deferred tax asset (see note 15)	5,366	42,222	5,904	43,950
	7,504,569	4,054,876	7,574,572	4,048,640

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



**13. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	31 December 2010	30 September 2009	31 December 2010	30 September 2009
	£	£	£	£
Bank loans and overdrafts	16,113	221,914	-	220,043
Other loans	-	525	-	-
Net obligations under finance leases and hire purchase contracts	86,877	37,372	86,877	37,372
Trade creditors	1,246,744	825,733	1,246,745	825,732
Amounts owed to group undertakings	-	-	323,917	307,463
Corporation tax	54,684	326,972	34,884	289,234
Social security and other taxes	753,120	699,928	734,247	693,033
Invoice discounting account	1,948,333	894,074	1,948,333	894,074
Accruals and deferred income	1,654,331	483,712	1,654,231	479,684
	<u>5,760,202</u>	<u>3,490,230</u>	<u>6,029,234</u>	<u>3,746,635</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.

**14. CREDITORS:
Amounts falling due after more than one year**

	Group		Company	
	31 December 2010	30 September 2009	31 December 2010	30 September 2009
	£	£	£	£
Bank loans	182,612	227,183	-	-
Other loans	10,495	10,495	-	-
Net obligations under finance leases and hire purchase contracts	105,819	82,422	105,819	82,422
	<u>298,926</u>	<u>320,100</u>	<u>105,819</u>	<u>82,422</u>

14. CREDITORS:
Amounts falling due after more than one year (continued)

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

	Group		Company	
	31 December 2010 £	30 September 2009 £	31 December 2010 £	30 September 2009 £
Repayable by instalments	118,161	159,756	-	-
Repayable other than by instalments	10,495	10,495	-	-
	<u>128,656</u>	<u>170,251</u>	<u>-</u>	<u>-</u>

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

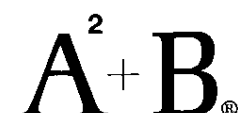
	Group		Company	
	31 December 2010 £	30 September 2009 £	31 December 2010 £	30 September 2009 £
Between one and five years	<u>105,819</u>	<u>82,422</u>	<u>105,819</u>	<u>82,422</u>

15. DEFERRED TAX ASSET

	Group		Company	
	31 December 2010 £	30 September 2009 £	31 December 2010 £	30 September 2009 £
At beginning of period/year	42,222	(1,870)	43,950	-
(Charge for)/released during the period	(36,856)	44,092	(38,046)	43,950
At end of period/year	<u>5,366</u>	<u>42,222</u>	<u>5,904</u>	<u>43,950</u>

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



15. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	<u>Group</u>		<u>Company</u>	
	31 December 2010	30 September 2009	31 December 2010	30 September 2009
	£	£	£	£
Accelerated capital allowances	13,681	(29,629)	13,143	(31,357)
Recoverable tax on loans to participants	(2,500)	-	(2,500)	-
Short term timing differences	(16,547)	(12,593)	(16,547)	(12,593)
	<u>(5,366)</u>	<u>(42,222)</u>	<u>(5,904)</u>	<u>(43,950)</u>

16. DEFERRED GRANTS

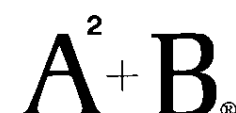
Group	£
At 1 October 2009	44,887
Amounts used	<u>(1,405)</u>
At 31 December 2010	<u>43,482</u>

17. SHARE CAPITAL

	31 December 2010	30 September 2009
	£	£
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 PERIOD ENDED 31 DECEMBER 2010**



18. RESERVES

Group	Share premium account £	Foreign exchange reserve £	Profit and loss account £
At 1 October 2009	114,975	81,838	1,557,641
Profit for the period	-	-	4,335,488
Movement on foreign exchange	-	(81,838)	81,838
At 31 December 2010	<u>114,975</u>	<u>-</u>	<u>5,974,967</u>

Company	Share premium account £	Profit and loss account £
At 1 October 2009	114,975	1,153,168
Profit for the period	-	4,782,744
At 31 December 2010	<u>114,975</u>	<u>5,935,912</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	31 December 2010 £	30 September 2009 £
Opening shareholders' funds	1,989,479	1,041,858
Profit for the period/year	4,335,488	873,224
Other recognised gains and losses during the period/year	-	74,397
Closing shareholders' funds	<u>6,324,967</u>	<u>1,989,479</u>

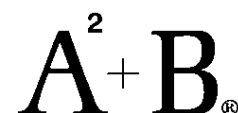
Company	31 December 2010 £	30 September 2009 £
Opening shareholders' funds	1,503,168	831,300
Profit for the period/year	4,782,744	671,868
Closing shareholders' funds	<u>6,285,912</u>	<u>1,503,168</u>

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 period/year dealt with in the accounts of the company was £4,782,744 (2009 - £671,868).

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	5,121,001	1,081,870
Exceptional profit on sale of investment	(3,525,713)	-
Amortisation of intangible fixed assets	50,000	25,872
Depreciation of tangible fixed assets	354,712	241,113
(Increase)/decrease in debtors	(3,803,016)	128,779
Decrease/(increase) in amounts owed by group undertakings	302,058	(73,045)
Increase/(decrease) in creditors	1,644,821	(232,506)
Decrease in provisions	(1,405)	(1,553)
Net cash inflow from operating activities	142,458	1,170,530

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

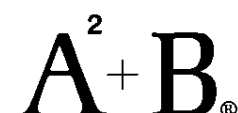
	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	19,587	21,775
Interest paid	(91,363)	(52,295)
Net cash outflow from returns on investments and servicing of finance	(71,776)	(30,520)

	2010 £	2009 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(8,600)	(154,138)
Purchase of tangible fixed assets	(1,134,013)	(302,769)
Net cash outflow from capital expenditure	(1,142,613)	(456,907)

	2010 £	2009 £
Acquisitions and disposals		
Proceeds on sale of associate company	3,973,666	-

XODUS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**



21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2010 £	2009 £
Financing		
Repayment of loans	(28,458)	(21,784)
Repayment of other loans	(525)	(191,260)
New finance leases	72,902	115,969
Minority interest share of loss in subsidiary company	25,000	-
Net cash inflow/(outflow) from financing	68,919	(97,075)

22. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2009 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	6,663	2,843,240	-	2,849,903
Bank overdraft	(221,914)	221,914	-	-
Invoice discounting account	(894,074)	(1,054,259)	-	(1,948,333)
	<u>(1,109,325)</u>	<u>2,010,895</u>	<u>-</u>	<u>901,570</u>
Debt:				
Debts due within one year	(37,897)	(43,919)	(21,174)	(102,990)
Debts falling due after more than one year	(320,100)	-	21,174	(298,926)
Net debt	<u>(1,467,322)</u>	<u>1,966,976</u>	<u>-</u>	<u>499,654</u>

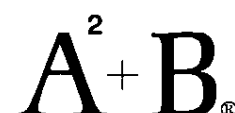
23. PENSION COMMITMENTS

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 £855,865 (2009 - £468,215). Contributions totalling £65,853 (2009 - £45,773) were payable to the fund at the year end and are included in creditors.

24. OPERATING LEASE COMMITMENTS

At 31 December 2010 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	31 December 2010	30 September 2009	31 December 2010	30 September 2009
	£	£	£	£
Group and company				
Expiry date:				
Within 1 year	83,835	33,651	32,504	-
Between 2 and 5 years	213,038	213,038	16,651	11,048
After more than 5 years	411,500	112,750	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010****25. 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, a former associate company	Loan movement	(302,058)	-
John Lawrie (Aberdeen) Limited, a company in which B Meldrum and C Parker are directors	Management fee	30,000	30,000
C Manson, director	Loan	103,000	113,000
S Swindell, director	Loan	117,861	117,861
R Heard, director	Loan	50,000	50,000
Xodus Subsurface Limited, a subsidiary company	Recharges	69,465	69,465

Unsecured loans made to directors C Manson, S Swindell and R Heard were outstanding during the year. The balance on all the loans were £10,000, £nil and £nil at the beginning and £113,000, £117,861 and £50,000 at the end of the year respectively. The maximum balances outstanding during the year were £213,000, £217,861 and £50,000. No interest has been charged on the loan and there are no repayment terms.