

Company Registration No. SC286421

XODUS GROUP LIMITED

Report and Financial Statements

for the year ended 31 December 2011

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XODUS GROUP LIMITED

Report and financial statements 2011

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XODUS GROUP LIMITED

Report and financial statements 2011

Officers and professional advisers

Directors

S Swindell
C Manson
E Merchant

Company Secretary

S Swindell

Registered Office

Xodus House
Huntly Street
Aberdeen
AB10 1RS

Independent Auditors

Deloitte LLP
Aberdeen
United Kingdom

XODUS GROUP LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2011.

Principal activities

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

Results

The profit for the year, after taxation, amounted to £1,867,000 (2010: 15 month period £4,783,000). The directors do not recommend payment of a dividend (2010: £nil).

Business review

The company achieved significant growth in the year, with turnover increasing by 29% to £36,436,000 (2010: 15 months - £28,238,000) while gross margins were consistent at 28% (2010: 29%). Strong progression in trading levels was noted through the year with the latter months showing significant growth. The operating profit for the year did not reflect the full benefit of the growth in turnover due to investment in infrastructure costs and attention being directed towards the establishment of the overseas subsidiaries as discussed further below.

Significant management time was directed towards the establishment of new subsidiaries (Xodus Group Inc., Xodus Group BV and Xodus Group A/S), and in the acquisition of ISFB Limited, with the trade and assets subsequently being hived up into the company. The real fruits of this investment will not be seen until 2012 and closer to 2013 in some cases.

2012 is expected to be another year of growth. We are predicting revenue growth of 35% as the new offices begin to take hold and establish themselves. Trading is expected to be strong as the high oil price, buoyant market and rising name of Xodus are all in our favour. The only slight worry is an overheating labour market, however this risk is inherent to our business and has been dealt with in the past.

Strong organic growth in all of the existing and new offices will be supplemented by at least 2, possibly 3 new offices. Setting up in the Middle East and Asia Pacific is a core component of our worldwide expansion strategy and we aim to establish entities in Dubai, Perth and possibly Kuala Lumpur in 2012.

Going forward we plan a major expansion of our subsurface capability and the development of a wells capability. This will allow us to offer a true integrated wells/subsurface and surface capability.

We are confident as to our ability to build on our significant growth and progress to date.

Going concern

The directors, having considered financial projections and made appropriate enquiries, are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

The company faces a variety of risks and uncertainties, both foreseeable and unforeseeable. Risks that are a focus of the board are:

- Oil price – this is an ever present risk which cannot be controlled. Xodus continues to ensure its capabilities and systems are robust enough to enable rapid response to oil and gas price fluctuations.
- People – one of the biggest risks to growth is the availability of experienced resource in the market. Xodus continues to ensure its working environment second to none in order to attract key resources. In addition we invest in growing new talent through continual graduate recruitment cross industry fertilisation.

XODUS GROUP LIMITED

Directors' report (continued)

Financial risk management

The company's activities expose it to a number of financial risks including cashflow risk, credit risk and liquidity risk.

Cashflow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group monitors its exposure, at this time no financial instruments are employed to hedge the exposure.

Credit risk

The company's principal financial assets are bank balances, trade and other receivables, and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with credit-ratings assigned by recognised credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future development, the company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Directors

The directors who served throughout the year and to the date of this report, except as noted, were as follows:

S Swindell

C Manson

B Meldrum (resigned 14 March 2011)

R Heard (resigned 14 March 2011)

C Parker (resigned 14 March 2011)

E Merchant (appointed 13 June 2011)

XODUS GROUP LIMITED

Directors' report (continued)

Auditors

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 auditors 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

During the year Anderson Anderson and Brown LLP resigned as auditor and Deloitte LLP were appointed. Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on its behalf



Colin Manson
Director
26 September 2012

XODUS GROUP LIMITED

Directors' responsibilities statement

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

Independent auditor's report to the members of XODUS GROUP LIMITED

We have audited the financial statements of Xodus Group Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

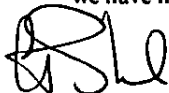
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Graeme Sheils CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, United Kingdom

27 September 2012

XODUS GROUP LIMITED

Profit and loss account For the year ended 31 December 2011

	Note	2011 £'000	15 months ended 31 December 2010 £'000
Turnover	2	35,038	28,238
Existing operations		1,398	-
Acquisitions		<u>36,436</u>	<u>28,238</u>
 Cost of sales		 (26,219)	 (20,062)
Gross profit		10,217	8,176
 Administrative expenses		 (7,784)	 (6,295)
Other operating income		<u>59</u>	<u>162</u>
Operating profit	3		
Existing operations		2,368	2,043
Acquisitions		<u>124</u>	<u>-</u>
		<u>2,492</u>	<u>2,043</u>
 Profit on sale of subsidiary undertaking	3	-	3,526
Interest receivable and similar income	6	1	20
Interest payable and similar charges	7	<u>(96)</u>	<u>(86)</u>
 Profit on ordinary activities before taxation		2,397	5,503
 Tax on profit on ordinary activities	8	 (530)	 (720)
Profit for the financial year	18	<u>1,867</u>	<u>4,783</u>

There are no recognised gains and losses other than those included in the profit and loss account. Accordingly no statement of recognised gains and losses is presented.

XODUS GROUP LIMITED

Balance sheet As at 31 December 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	9	2,064	214
Tangible assets	10	1,534	1,238
Investments in associates	11	574	562
		<u>4,172</u>	<u>2,014</u>
Current assets			
Debtors	12	16,261	7,575
Cash at bank and in hand		60	2,832
		<u>16,321</u>	<u>10,407</u>
Creditors: amounts falling due within one year	13	<u>(11,104)</u>	<u>(6,029)</u>
Net current assets		<u>5,217</u>	<u>4,378</u>
Total assets less current liabilities		<u>9,389</u>	<u>6,392</u>
Creditors: amounts falling due after more than one year	14	<u>(1,236)</u>	<u>(106)</u>
Net assets		<u>8,153</u>	<u>6,286</u>
Capital and reserves			
Called up share capital	17	235	235
Share premium	18	115	115
Profit and loss account	18	7,803	5,936
Shareholders' funds	19	<u>8,153</u>	<u>6,286</u>

The financial statements of Xodus Group Limited, registered number SC286421, were approved by the board of directors and authorised for issue on 26 September 2012.

Signed on behalf of the Board of Directors



Emma Merchant
Director

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently in the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

Under the provisions of section 400 of the Companies Act 2006 and in accordance with paragraphs 21b and 21c of Financial Reporting Standard 2, the company is exempt from preparing consolidated financial statements by virtue of the fact that it is a subsidiary of another company which prepares group accounts which are publicly available (note 23). The financial statements therefore present information about the company as an individual undertaking and not as a group.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The company is a wholly owned subsidiary of Xodus Group (Holdings) Limited (note 23) and its results are included in the consolidated financial statements of that company which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Furniture, fittings & equipment	25-33% reducing balance
Tenants improvements	10% - 20% straight line, or period of lease if shorter

Foreign currencies

Amounts expressed in foreign currencies are retranslated into Sterling at the middle market rate of exchange ruling at the close of business at the period end. Transactions during the period are translated at the middle market rates prevailing at the dates of the transactions. Exchange gains or losses arising are included in the profit and loss account.

Leases

Assets held under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge. The finance element is charged to the profit and loss account over the period of the lease so as to produce a constant periodic rate of charge on the net obligation outstanding.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension

The company operates a defined contribution pension scheme. The annual contributions payable are charged to the profit and loss account. Differences between payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

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Notes to the financial statements For the year ended 31 December 2011

1. Accounting policies (continued)

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Intangible assets

Goodwill represents 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 and are amortised in equal instalments over their estimated economic lives, which range from 3 to 10 years. Provision is made per any impairment when identified.

Research and development

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

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 provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion in terms of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

Turnover represents net the value of goods and services provided in each period, excluding value added tax and discounts.

No analysis of turnover or operating profit is provided as the directors believe this may be prejudicial to the commercial interests of the company.

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

3. Operating profit

Operating profit is stated after charging/(crediting):

	15 months ended 31 December	
	2011	2010
	£'000	£'000
Amortisation of intangible assets:		
Goodwill	73	-
Licences	84	31
Depreciation of tangible fixed assets:		
Owned	394	257
Held under finance leases	136	79
Fees payable to the company's auditor for:		
the audit of the annual accounts	37	21
tax services	13	-
Operating lease rentals:		
Plant and machinery	77	23
Other	981	855
Foreign exchange loss	21	-
Research and development	1,200	14
	<u>1,200</u>	<u>14</u>

The exceptional profit in 2010 related to the sale of the investment in Xodus Group PTY, resulting in a gain on disposal of £3,526,000.

4. Staff costs

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

	15 months ended 31 December	
	2011	2010
	£'000	£'000
Wages and salaries	11,842	9,516
Social security costs	1,413	946
Other pension costs (note 20)	977	850
	<u>14,232</u>	<u>11,312</u>

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Notes to the financial statements For the year ended 31 December 2011

4. Staff costs (continued)

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

	2011	15 months ended 31 December 2010
	No.	No.
Directors	3	5
Administration	35	20
Technical	165	100
	<u>203</u>	<u>125</u>

5. Directors' remuneration

	2011	15 months ended 31 December 2010
	£'000	£'000
Emoluments	1,044	1,129
Compensation for loss of office	42	-
Company pension contributions to defined contribution pension schemes	14	31
	<u>1,100</u>	<u>1,160</u>

During the period retirement benefits were accruing to one director (2010: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £388,000 (2010: £455,000).

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Notes to the financial statements For the year ended 31 December 2011

6. Interest receivable

	2011 £'000	15 months ended 31 December 2010 £'000
Bank interest receivable	<u>1</u>	<u>20</u>

7. Interest payable

	2011 £'000	15 months ended 31 December 2010 £'000
On bank loans and overdrafts	-	2
Finance lease interest	9	9
Invoice discount interest	87	75
	<u>96</u>	<u>86</u>

8. Taxation

	2011 £'000	15 months ended 31 December 2010 £'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	579	662
Foreign tax relief	(2)	-
Adjustments in respect of prior periods	(66)	7
	<u>511</u>	<u>669</u>
Foreign tax on income for the year	19	14
Total current tax	<u>530</u>	<u>683</u>
Deferred tax		
Origination and reversal of timing differences	(18)	45
Adjustment relating to prior year	18	(8)
Total deferred tax	<u>-</u>	<u>37</u>
Tax on profit on ordinary activities	<u>530</u>	<u>720</u>

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

8. Taxation (continued)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax was 26.5% (2010: 28%). The actual rate for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	15 months ended 31 December	
	2011	2010
	£'000	£'000
Profit on ordinary activities before tax	<u>2,397</u>	<u>5,503</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	635	1,541
Effects of:		
Income not deductible for tax purposes	-	(792)
Enhanced research and development deductions	(637)	(32)
Expenses not deductible for tax purposes	651	40
Capital allowances for period/year in excess of depreciation	6	(52)
Adjustments to tax charge in respect of prior periods	(66)	7
Short term timing differences	12	8
Group relief claimed	(105)	-
Higher tax rates on overseas earnings	17	-
Current tax charge for the year	<u>530</u>	<u>720</u>

It was announced on 21 March 2012 (substantively enacted 26 March 2012) that the standard rate of UK corporation tax will be further reduced from the 25% rate enacted at the balance sheet date to 24% from 1 April 2012 onwards. As this change was not substantively enacted at the balance sheet date, the change in rate is not reflected in these financial statements.

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

9. Intangible fixed assets

	Goodwill £'000	Licences £'000	Total £'000
Cost			
At 1 January 2011	-	257	257
Additions	-	858	858
Transfer from goodwill (note 11)	1,149	-	1,149
At 31 December 2011	1,149	1,115	2,264
Amortisation			
At 1 January 2011	-	43	43
Charge for the year	73	84	157
At 31 December 2011	73	127	200
Net book value			
At 31 December 2011	1,076	988	2,064
At 31 December 2010	-	214	214

On 20 April 2011, the group acquired 100% of the issued share capital in ISFB Limited for a consideration of £1,120,000. Immediately following the share acquisition, the assets and liabilities of ISFB Limited were hived up into Xodus Group Limited resulting in a transfer of £1,100,000 to goodwill from investments.

The additional £49,000 of goodwill represents a transfer from cost of investment following the cessation of trade of Xodus Subsurface Limited.

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

10. Tangible fixed assets

	Furniture, fittings & equipment £'000	Computer equipment £'000	Tenants improvements £'000	Total £'000
Cost				
At 1 January 2011	330	1,065	1,015	2,410
Additions	121	595	110	826
At 31 December 2011	451	1,660	1,125	3,236
Depreciation				
At 1 January 2011	202	801	169	1,172
Charge for the year	88	240	202	530
At 31 December 2011	290	1,041	371	1,702
Net book value				
At 31 December 2011	161	619	754	1,534
At 31 December 2010	128	264	846	1,238

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

	2011 £'000	2010 £'000
Computer equipment	235	46
Furniture, fittings and equipment	19	31
Tenant's improvements	15	48
	269	125

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

11. Fixed asset investments

	Investments in joint ventures £'000	Investments in subsidiaries £'000	Total £'000
At 1 January 2011	-	562	562
Additions	2	1,179	1,181
Transfer to goodwill (note 9)	-	(1,149)	(1,149)
Impairment	-	(20)	(20)
At 31 December 2011	2	572	574
Net book value At 31 December 2011	2	572	574
At 31 December 2010	-	562	562

Subsidiary undertakings

Name of company	Country of incorporation	Nature of business	Proportion of shares held
Aurora Environmental Limited	Scotland	Property rental	100%
Xodus Subsurface Limited	Scotland	Well and subsurface consultancy services	100%
Xodus Group Inc	USA	Well and subsurface consultancy services	100%
Xodus Group BV	Netherlands	Well and subsurface consultancy services	100%
Xodus Group A/S	Norway	Well and subsurface consultancy services	100%
Xodus Recruitment Limited*	Scotland	Dormant	100%
Xodus Oil and Gas Consultants Limited**	Scotland	Dormant	100%
Xodus Subsea Limited**	Scotland	Dormant	100%
Xodus Technologies Limited**	Scotland	Dormant	100%
ISFB Limited***	England and Wales	Subsurface consultancy services	100%

* Dissolved on 18 November 2011.

** Dissolved on 16 March 2012.

*** Dissolved on 24 April 2012.

Joint Ventures

Name of company	Country of incorporation	Nature of business	Proportion of shares held
XMOS Limited	Nigeria	Provision of well and subsurface consultancy services	49%

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Notes to the financial statements For the year ended 31 December 2011

12. Debtors

	2011 £'000	2010 £'000
Trade debtors	9,634	4,087
Amounts owed by group undertakings	3,166	69
Other debtors	3,455	3,413
Deferred tax asset (note 16)	6	6
	<u>16,261</u>	<u>7,575</u>

13. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Net obligations under finance leases and hire purchases contracts (note 15)	337	87
Invoice discounting (note 15)	4,497	1,948
Trade creditors	1,466	1,247
Amounts owed to group undertakings	416	324
Corporation tax	138	35
Social security and other taxes	1,690	734
Accruals and deferred income	2,560	1,654
	<u>11,104</u>	<u>6,029</u>

The invoice discounting advance is secured over the associated debtors.

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

	2011 £'000	2010 £'000
Net obligations under finance leases and hire purchases contracts (note 15)	436	106
Deferred consideration	800	-
	<u>1,236</u>	<u>106</u>

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Notes to the financial statements For the year ended 31 December 2011

15. Borrowings

	2011 £'000	2010 £'000
Total borrowings:		
Invoice discounting advance	4,497	1,948
Finance leases and hire purchase	773	193
	<u>5,270</u>	<u>2,141</u>
	2011 £'000	2010 £'000
The total borrowings above are repayable as follows:		
Within one year	4,834	2,035
Between one and two years	281	106
Between two and five years	155	-
	<u>5,270</u>	<u>2,141</u>

Hire purchase liabilities are secured over the relevant asset.

16. Deferred tax asset

	2011 £'000	2010 £'000
At beginning of year	6	43
Charge for the year	-	(37)
	<u>6</u>	<u>6</u>
At end of year	<u>6</u>	<u>6</u>

The deferred tax asset is made up as follows:

	2011 £'000	2010 £'000
Accelerated capital allowances	(21)	(13)
Recoverable tax on loans to participators	-	3
Short term timing differences	27	16
	<u>6</u>	<u>6</u>

17. Share capital

	2011 £'000	2010 £'000
Allotted, called up and fully paid		
200,000 Ordinary A shares of £1 each	200	200
35,025 Ordinary B shares of £1 each	35	35
	<u>235</u>	<u>235</u>

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Notes to the financial statements For the year ended 31 December 2011

18. Reserves

	Share premium account £'000	Profit and loss account £'000
Company		
At 1 January 2011	115	5,936
Profit for the year	-	1,867
At 31 December 2011	<u>115</u>	<u>7,803</u>

19. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Company		
Opening shareholders' funds	6,286	1,503
Profit for the year	<u>1,867</u>	<u>4,783</u>
Closing shareholders' funds	<u>8,153</u>	<u>6,286</u>

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged amounted to £977,000 (2010: £850,000). At 31 December 2011 contributions of £110,000 (2010: £66,000) were outstanding.

21. Operating lease commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings		Other	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Expiry date:				
Within 1 year	-	84	20	33
Between 2 and 5 years	468	213	-	17
After more than 5 years	<u>526</u>	<u>412</u>	<u>-</u>	<u>-</u>
	<u>994</u>	<u>709</u>	<u>20</u>	<u>50</u>

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2011

22. Related party transactions

During the year the following unsecured loans from directors were repaid in full.

	£
C Manson, Director	113,000
S Swindell, Director	117,861
R Heard, Director (resigned 14 March 2011)	50,000

The company has taken advantage of paragraph 3(c) of FRS 8 (Related party Disclosures) and not disclosed transactions with wholly owned group companies.

23. Ultimate parent company

The company's immediate and ultimate parent company is Xodus Group Holdings Limited, a company registered in Scotland.

The smallest and largest group in which the results of the company are consolidated is that headed by Xodus Group Holdings Limited, a company incorporated in Scotland. Copies of the group accounts may be obtained from Xodus House, Huntly Street, Aberdeen.