

**Company Registration No. SC286421**

**XODUS GROUP LIMITED**

**Report and Financial Statements**

**for the year ended 31 December 2012**

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# **XODUS GROUP LIMITED**

## **Report and financial statements 2012**

| <b>Contents</b>                              | <b>Page</b> |
|----------------------------------------------|-------------|
| <b>Officers and professional advisers</b>    | <b>1</b>    |
| <b>Directors' report</b>                     | <b>2</b>    |
| <b>Directors' responsibilities statement</b> | <b>5</b>    |
| <b>Independent auditor's report</b>          | <b>6</b>    |
| <b>Profit and loss account</b>               | <b>7</b>    |
| <b>Balance sheet</b>                         | <b>8</b>    |
| <b>Notes to the financial statements</b>     | <b>9</b>    |

# **XODUS GROUP LIMITED**

## **Report and financial statements 2012**

### **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 Auditor**

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 2012.

### **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 £3,023,000 (2011: £1,867,000). The directors do not recommend payment of a dividend (2011: £nil).

### **Business review**

2012 was another year of growth investment for the company. We opened two new international 'Hub' offices; Dubai and Perth. This was a re-entry to the Perth market after selling our shareholding in 2010. Dubai was opened as a strategic hub to provide access to additional markets. For the existing Hubs we saw strong performance in both Scotland and London. Trading in Houston and Lagos was difficult for the majority of 2012, although a strong end to the year provides confidence going forward. Norway continues to be a difficult market due to the absence of appropriately skilled resource.

2013 promises to be a very exciting year for Xodus. All 8 Hubs are expected to move into profit with an increase in EBITDA. Worldwide Headcount is expected to grow organically from 570 to 730 through the year and we propose to continue our acquisition drive bolstering the Middle East presence in Dubai and allowing us to enter a new region in Asia Pacific. We expect to open 3 new offices; one in Asia Pacific, one in Abu Dhabi and one in Oman.

The directors are satisfied with the results for the year and confident in their ability to build on growth and progress to date.

### **Going concern**

The directors, having considered the company's financial position and future 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 be aware and alert to possible changes in activity levels influenced by oil and gas price fluctuations.
- People – the availability of experienced resource is key to the sustainability and growth of our business. We continue to ensure our working environment and rewards are attractive 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 company 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 each of whom served throughout the year and to the date of this report, were as follows:

S Swindell  
C Manson  
E Merchant

## **XODUS GROUP LIMITED**

### **Directors' report (continued)**

#### **Auditors**

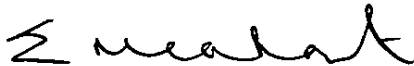
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

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

A handwritten signature in black ink, appearing to read 'Emma Merchant', written over a horizontal line.

Emma Merchant  
Director  
26 June 2013

## **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 2012 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 2012 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  
26 June 2013

# XODUS GROUP LIMITED

## Profit and loss account For the year ended 31 December 2012

|                                                      | Note | 2012<br>£'000   | 2011<br>£'000   |
|------------------------------------------------------|------|-----------------|-----------------|
| <b>Turnover</b>                                      | 2    | 48,616          | 35,038          |
| Existing operations                                  |      | -               | 1,398           |
| Acquisitions                                         |      | <u>48,616</u>   | <u>36,436</u>   |
| Cost of sales                                        |      | <u>(35,896)</u> | <u>(26,219)</u> |
| <b>Gross profit</b>                                  |      | 12,720          | 10,217          |
| Administrative expenses                              |      | (8,840)         | (7,784)         |
| Other operating income                               |      | <u>67</u>       | <u>59</u>       |
| <b>Operating profit</b>                              | 3    | 3,947           | 2,368           |
| Existing operations                                  |      | -               | 124             |
| Acquisitions                                         |      | <u>3,947</u>    | <u>2,492</u>    |
| Interest receivable and similar income               | 6    | 2               | 1               |
| Interest payable and similar charges                 | 7    | <u>(215)</u>    | <u>(96)</u>     |
| <b>Profit on ordinary activities before taxation</b> |      | 3,734           | 2,397           |
| Tax on profit on ordinary activities                 | 8    | <u>(711)</u>    | <u>(530)</u>    |
| <b>Profit for the financial year</b>                 | 18   | <u>3,023</u>    | <u>1,867</u>    |

The results for the current and prior year relates to continuing operations.

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 2012

|                                                                | Note | 2012<br>£'000   | 2011<br>£'000   |
|----------------------------------------------------------------|------|-----------------|-----------------|
| <b>Fixed assets</b>                                            |      |                 |                 |
| Intangible assets                                              | 9    | 2,382           | 2,064           |
| Tangible assets                                                | 10   | 1,433           | 1,534           |
| Investments                                                    | 11   | 583             | 574             |
|                                                                |      | <u>4,398</u>    | <u>4,172</u>    |
| <b>Current assets</b>                                          |      |                 |                 |
| Debtors                                                        | 12   | 22,349          | 16,261          |
| Cash at bank and in hand                                       |      | 6,448           | 60              |
|                                                                |      | <u>28,797</u>   | <u>16,321</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 13   | <u>(21,133)</u> | <u>(11,104)</u> |
| <b>Net current assets</b>                                      |      | <u>7,664</u>    | <u>5,217</u>    |
| <b>Total assets less current liabilities</b>                   |      | <u>12,062</u>   | <u>9,389</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 14   | <u>(886)</u>    | <u>(1,236)</u>  |
| <b>Net assets</b>                                              |      | <u>11,176</u>   | <u>8,153</u>    |
| <b>Capital and reserves</b>                                    |      |                 |                 |
| Called up share capital                                        | 17   | 235             | 235             |
| Share premium                                                  | 18   | 115             | 115             |
| Profit and loss account                                        | 18   | 10,826          | 7,803           |
| <b>Shareholders' funds</b>                                     | 19   | <u>11,176</u>   | <u>8,153</u>    |

The financial statements of Xodus Group Limited, registered number SC286421, were approved by the board of directors and authorised for issue on 26 June 2013.

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 2012**

### **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% straight line                                   |
| Tenants improvements            | 10% - 20% straight line, or period of lease if shorter |
| Computer equipment              | 33% straight line                                      |

#### **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.

# **XODUS GROUP LIMITED**

## **Notes to the financial statements For the year ended 31 December 2012**

### **1. Accounting policies (continued)**

#### **Investments**

Investments in subsidiaries are stated at cost, with any impairment being recognised when identified.

#### **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, estimated at 10 years.

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 for 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 under the company's principal activities 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 2012**

### **3. Operating profit**

Operating profit is stated after charging:

|                                            | <b>2012</b>       | <b>2011</b>       |
|--------------------------------------------|-------------------|-------------------|
|                                            | <b>£'000</b>      | <b>£'000</b>      |
| Amortisation of intangible assets:         |                   |                   |
| Goodwill                                   | 92                | 73                |
| Licences                                   | 373               | 84                |
| Depreciation of tangible fixed assets:     |                   |                   |
| Owned                                      | 532               | 394               |
| Held under finance leases                  | 159               | 136               |
| Fees payable to the company's auditor for: |                   |                   |
| the audit of the annual accounts           | 50                | 37                |
| tax services                               | 44                | 13                |
| Operating lease rentals:                   |                   |                   |
| Plant and machinery                        | 37                | 77                |
| Other                                      | 1,024             | 981               |
| Foreign exchange loss                      | 57                | 21                |
| Research and development                   | 500               | 1,200             |
|                                            | <u>          </u> | <u>          </u> |

### **4. Staff costs**

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

|                               | <b>2012</b>       | <b>2011</b>       |
|-------------------------------|-------------------|-------------------|
|                               | <b>£'000</b>      | <b>£'000</b>      |
| Wages and salaries            | 15,556            | 11,842            |
| Social security costs         | 1,880             | 1,413             |
| Other pension costs (note 20) | 1,377             | 977               |
|                               | <u>          </u> | <u>          </u> |
|                               | <b>18,813</b>     | <b>14,232</b>     |
|                               | <u>          </u> | <u>          </u> |

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

|                | <b>2012</b>       | <b>2011</b>       |
|----------------|-------------------|-------------------|
|                | <b>No.</b>        | <b>No.</b>        |
| Directors      | 3                 | 3                 |
| Administration | 45                | 35                |
| Technical      | 200               | 165               |
|                | <u>          </u> | <u>          </u> |
|                | <b>248</b>        | <b>203</b>        |
|                | <u>          </u> | <u>          </u> |

## **XODUS GROUP LIMITED**

### **Notes to the financial statements For the year ended 31 December 2012**

#### **5. Directors' remuneration**

|                                                                       | <b>2012</b>  | <b>2011</b>  |
|-----------------------------------------------------------------------|--------------|--------------|
|                                                                       | <b>£'000</b> | <b>£'000</b> |
| Emoluments                                                            | 394          | 1,044        |
| Compensation for loss of office                                       | -            | 42           |
| Company pension contributions to defined contribution pension schemes | 15           | 14           |
|                                                                       | <u>409</u>   | <u>1,100</u> |

During the period retirement benefits were accruing to one director (2011: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £188,000 (2011: £388,000).

#### **6. Interest receivable**

|                          | <b>2012</b>  | <b>2011</b>  |
|--------------------------|--------------|--------------|
|                          | <b>£'000</b> | <b>£'000</b> |
| Bank interest receivable | <u>2</u>     | <u>1</u>     |

#### **7. Interest payable**

|                                          | <b>2012</b>  | <b>2011</b>  |
|------------------------------------------|--------------|--------------|
|                                          | <b>£'000</b> | <b>£'000</b> |
| On bank loans and overdrafts             | 7            | -            |
| Finance lease and hire purchase interest | 24           | 9            |
| Invoice discount interest                | 184          | 87           |
|                                          | <u>215</u>   | <u>96</u>    |

# XODUS GROUP LIMITED

## Notes to the financial statements For the year ended 31 December 2012

### 8. Taxation

|                                                  | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| <b>Analysis of tax charge in the year</b>        |               |               |
| <b>Current tax</b>                               |               |               |
| UK corporation tax charge on profit for the year | 980           | 579           |
| Foreign tax relief                               | (32)          | (2)           |
| Adjustments in respect of prior periods          | (196)         | (66)          |
|                                                  | <u>752</u>    | <u>511</u>    |
| Foreign tax on income for the year               | 42            | 19            |
|                                                  | <u>794</u>    | <u>530</u>    |
| <b>Total current tax</b>                         |               |               |
| <b>Deferred tax</b>                              |               |               |
| Origination and reversal of timing differences   | (76)          | (18)          |
| Adjustment relating to prior year                | (14)          | 18            |
| Effect of changes in rates                       | 7             | -             |
|                                                  | <u>(83)</u>   | <u>-</u>      |
| <b>Total deferred tax</b>                        |               |               |
| <b>Tax on profit on ordinary activities</b>      | <u>711</u>    | <u>530</u>    |

The standard rate of current tax for the year, based on the UK standard rate of corporation tax was 24.5% (2011: 26.5%). 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:

|                                                                                                               | 2012<br>£'000 | 2011<br>£'000 |
|---------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Profit on ordinary activities before tax                                                                      | <u>3,734</u>  | <u>2,397</u>  |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%) | 915           | 635           |
| <b>Effects of:</b>                                                                                            |               |               |
| Enhanced research and development deductions                                                                  | (144)         | (637)         |
| Expenses not deductible for tax purposes                                                                      | 155           | 668           |
| Depreciation in excess of capital allowances for year/period                                                  | 69            | 6             |
| Adjustments to tax charge in respect of prior periods                                                         | (196)         | (66)          |
| Short term timing differences                                                                                 | 6             | 12            |
| Group relief claimed                                                                                          | (21)          | (105)         |
| Higher tax rates on overseas earnings                                                                         | 10            | 17            |
|                                                                                                               | <u>794</u>    | <u>530</u>    |
| <b>Current tax charge for the year</b>                                                                        |               |               |

The Finance Act 2012 announced a reduction in the main rate of corporation tax for the financial year beginning 1 April 2012 from 26% to 24%. The tax law was substantively enacted in the House of Commons on 26 March 2012. A further reduction in the corporation tax rate to 23% from 1 April 2013 was also announced in the Finance Act 2012 and was substantively enacted at the balance sheet date. On 20 March 2013, the Finance Act 2013 announced that the corporation tax rate from 1 April 2015 would be 20%, however as this change in rate was not substantively enacted at the balance sheet date, this change in rate has not been reflected in these financial statements.

# **XODUS GROUP LIMITED**

## **Notes to the financial statements For the year ended 31 December 2012**

### **9. Intangible fixed assets**

|                       | <b>Goodwill<br/>£'000</b> | <b>Licences<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------|---------------------------|---------------------------|------------------------|
| <b>Cost</b>           |                           |                           |                        |
| At 1 January 2012     | 1,149                     | 1,115                     | 2,264                  |
| Additions             | -                         | 783                       | 783                    |
| At 31 December 2012   | 1,149                     | 1,898                     | 3,047                  |
| <b>Amortisation</b>   |                           |                           |                        |
| At 1 January 2012     | 73                        | 127                       | 200                    |
| Charge for the year   | 92                        | 373                       | 465                    |
| At 31 December 2012   | 165                       | 500                       | 665                    |
| <b>Net book value</b> |                           |                           |                        |
| At 31 December 2012   | 984                       | 1,398                     | 2,382                  |
| At 31 December 2011   | 1,076                     | 988                       | 2,064                  |

# XODUS GROUP LIMITED

## Notes to the financial statements For the year ended 31 December 2012

### 10. Tangible fixed assets

|                       | <b>Furniture,<br/>fittings &amp;<br/>equipment<br/>£'000</b> | <b>Tenants<br/>improvements<br/>£'000</b> | <b>Computer<br/>equipment<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------|--------------------------------------------------------------|-------------------------------------------|-----------------------------------------|------------------------|
| <b>Cost</b>           |                                                              |                                           |                                         |                        |
| At 1 January 2012     | 451                                                          | 1,125                                     | 1,660                                   | 3,236                  |
| Additions             | 84                                                           | 140                                       | 366                                     | 590                    |
| At 31 December 2012   | 535                                                          | 1,265                                     | 2,026                                   | 3,826                  |
| <b>Depreciation</b>   |                                                              |                                           |                                         |                        |
| At 1 January 2012     | 290                                                          | 371                                       | 1,041                                   | 1,702                  |
| Charge for the year   | 103                                                          | 220                                       | 368                                     | 691                    |
| At 31 December 2012   | 393                                                          | 591                                       | 1,409                                   | 2,393                  |
| <b>Net book value</b> |                                                              |                                           |                                         |                        |
| At 31 December 2012   | 142                                                          | 674                                       | 617                                     | 1,433                  |
| At 31 December 2011   | 161                                                          | 754                                       | 619                                     | 1,534                  |

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

|                                   | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|-----------------------------------|-----------------------|-----------------------|
| Computer equipment                | 155                   | 235                   |
| Furniture, fittings and equipment | -                     | 19                    |
| Tenant's improvements             | 8                     | 15                    |
|                                   | 163                   | 269                   |

# XODUS GROUP LIMITED

## Notes to the financial statements For the year ended 31 December 2012

### 11. Fixed asset investments

|                       | Investments<br>in<br>subsidiaries<br>£'000 | Investments<br>in joint<br>venture<br>£'000 | Total<br>£'000 |
|-----------------------|--------------------------------------------|---------------------------------------------|----------------|
| At 1 January 2012     | 572                                        | 2                                           | 574            |
| Additions             | 9                                          | -                                           | 9              |
| At 31 December 2012   | 581                                        | 2                                           | 583            |
| <b>Net book value</b> |                                            |                                             |                |
| At 31 December 2012   | 581                                        | 2                                           | 583            |
| At 31 December 2011   | 572                                        | 2                                           | 574            |

### Subsidiary undertakings

| Name of company                        | Country of<br>incorporation | Nature of business                       | Proportion<br>of shares<br>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 Group Pty                        | Australia                   | Well and subsurface consultancy services | 100%                            |
| Xodus Group DMCC                       | United Arab<br>Emirates     | Well and subsurface consultancy services | 100%                            |
| XMOS Limited***                        | Nigeria                     | Well and subsurface consultancy services | 49%                             |
| 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<br>Wales        | Subsurface consultancy services          | 100%                            |

\* Dissolved on 16 March 2012.

\*\* Dissolved on 24 April 2012.

### Joint Venture

| Name of company     | Country of<br>incorporation | Nature of business                                       | Proportion<br>of shares<br>held |
|---------------------|-----------------------------|----------------------------------------------------------|---------------------------------|
| XMOS Africa Limited | Nigeria                     | Provision of well and<br>subsurface consultancy services | 49%                             |

# **XODUS GROUP LIMITED**

## **Notes to the financial statements For the year ended 31 December 2012**

### **12. Debtors**

|                                    | <b>2012</b>   | <b>2011</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>£'000</b>  | <b>£'000</b>  |
| Trade debtors                      | 7,178         | 9,634         |
| Amounts owed by group undertakings | 6,355         | 2,342         |
| Amounts owed by related parties    | 2,155         | 824           |
| Other debtors                      | 6,572         | 3,455         |
| Deferred tax asset (note 16)       | 89            | 6             |
|                                    | <u>22,349</u> | <u>16,261</u> |

### **13. Creditors: amounts falling due within one year**

|                                                                             | <b>2012</b>   | <b>2011</b>   |
|-----------------------------------------------------------------------------|---------------|---------------|
|                                                                             | <b>£'000</b>  | <b>£'000</b>  |
| Net obligations under finance leases and hire purchases contracts (note 15) | 388           | 337           |
| Invoice discounting (note 15)                                               | 5,006         | 4,497         |
| Corporation tax                                                             | 554           | 138           |
| Trade creditors                                                             | 1,770         | 1,466         |
| Deferred consideration                                                      | 200           | -             |
| Amounts owed to group undertakings                                          | 9,763         | 416           |
| Social security and other taxes                                             | 1,062         | 1,690         |
| Accruals and deferred income                                                | 2,390         | 2,560         |
|                                                                             | <u>21,133</u> | <u>11,104</u> |

The invoice discounting advance is secured over the associated debtors.

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

|                                                                             | <b>2012</b>  | <b>2011</b>  |
|-----------------------------------------------------------------------------|--------------|--------------|
|                                                                             | <b>£'000</b> | <b>£'000</b> |
| Net obligations under finance leases and hire purchases contracts (note 15) | 286          | 436          |
| Deferred consideration                                                      | 600          | 800          |
|                                                                             | <u>886</u>   | <u>1,236</u> |

# **XODUS GROUP LIMITED**

## **Notes to the financial statements For the year ended 31 December 2012**

### **15. Borrowings**

|                                  | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|----------------------------------|-----------------------|-----------------------|
| Total borrowings:                |                       |                       |
| Invoice discounting advance      | 5,006                 | 4,497                 |
| Finance leases and hire purchase | 674                   | 773                   |
|                                  | <u>5,680</u>          | <u>5,270</u>          |

|                                                      | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|------------------------------------------------------|-----------------------|-----------------------|
| The total borrowings above are repayable as follows: |                       |                       |
| Within one year                                      | 5,394                 | 4,834                 |
| Between one and two years                            | 259                   | 281                   |
| Between two and five years                           | 27                    | 155                   |
|                                                      | <u>5,680</u>          | <u>5,270</u>          |

Hire purchase liabilities are secured over the relevant asset.

### **16. Deferred tax asset**

|                                      | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|--------------------------------------|-----------------------|-----------------------|
| At beginning of year                 | 6                     | 6                     |
| Credit for the year                  | 69                    | -                     |
| Adjustment in respect of prior years | 14                    |                       |
|                                      | <u>89</u>             | <u>6</u>              |

The deferred tax asset is made up as follows:

|                                | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|--------------------------------|-----------------------|-----------------------|
| Accelerated capital allowances | 58                    | (21)                  |
| Short term timing differences  | 31                    | 27                    |
|                                | <u>89</u>             | <u>6</u>              |

# XODUS GROUP LIMITED

## Notes to the financial statements For the year ended 31 December 2012

### 17. Share capital

|                                           | 2012<br>£'000 | 2011<br>£'000 |
|-------------------------------------------|---------------|---------------|
| <b>Allotted, called up and fully paid</b> |               |               |
| 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>    |

The Ordinary A & B shares rank pari passu with respect to dividends and have full voting rights. On the winding up, liquidation or capital reduction of the company, the B Ordinary shares have right to repayment in advance of the A Ordinary shares.

### 18. Reserves

|                     | Share<br>premium<br>account<br>£'000 | Profit<br>and loss<br>account<br>£'000 |
|---------------------|--------------------------------------|----------------------------------------|
| <b>Company</b>      |                                      |                                        |
| At 1 January 2012   | 115                                  | 7,803                                  |
| Profit for the year | -                                    | 3,023                                  |
|                     | <u>115</u>                           | <u>10,826</u>                          |
| At 31 December 2012 |                                      |                                        |

### 19. Reconciliation of movements in shareholders' funds

|                             | 2012<br>£'000 | 2011<br>£'000 |
|-----------------------------|---------------|---------------|
| <b>Company</b>              |               |               |
| Opening shareholders' funds | 8,153         | 6,286         |
| Profit for the year         | 3,023         | 1,867         |
|                             | <u>11,176</u> | <u>8,153</u>  |
| Closing shareholders' funds |               |               |

### 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 £1,377,000 (2011: £977,000). At 31 December 2012 contributions of £134,365 (2011: £110,000) were outstanding.

# XODUS GROUP LIMITED

## Notes to the financial statements For the year ended 31 December 2012

### 21. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

|                         | Land & Buildings |            | Other     |           |
|-------------------------|------------------|------------|-----------|-----------|
|                         | 2012             | 2011       | 2012      | 2011      |
|                         | £'000            | £'000      | £'000     | £'000     |
| <b>Expiry date:</b>     |                  |            |           |           |
| Within 1 year           | 152              | -          | 52        | 20        |
| Between 2 and 5 years   | 301              | 468        | -         | -         |
| After more than 5 years | 526              | 526        | -         | -         |
|                         | <u>979</u>       | <u>994</u> | <u>52</u> | <u>20</u> |

### 22. Related party transactions

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

At 31 December 2012, Xodus Group Ltd has a receivable balance due from United Resources Ltd of £284,000 (2011: £155,000) an associate of Xodus Group (Holdings) Ltd, the parent company of Xodus Group Ltd.

During the year the company advanced monies to XMOS Limited, an entity in which the company has a 49% interest (note 11). At 31 December 2012, £1,871,000 (2011: £669,000) is outstanding from that party.

### 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. The group accounts may be obtained from the Registered Office, Xodus House, Huntly Street, Aberdeen.