

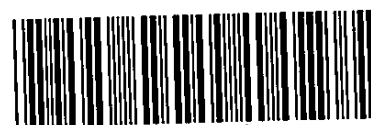
Company Registration No. SC286421

XODUS GROUP LIMITED

Report and Financial Statements

for the year ended 31 December 2013

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XODUS GROUP LIMITED

Report and financial statements 2013

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XODUS GROUP LIMITED

Report and financial statements 2013

Officers and professional advisers

Directors

**C Manson
E Merchant
S Swindell**

Company Secretary

S Swindell

Registered Office

**Xodus House
Huntly Street
Aberdeen
AB10 1RS**

Independent Auditor

**Deloitte LLP
Aberdeen
United Kingdom**

XODUS GROUP LIMITED

Strategic report

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 £1,595,000 (2012: £3,023,000). The directors do not recommend payment of a dividend (2012: £nil).

Business review

2013 was both an exciting and tough year for the entity. While the company achieved good revenue growth, our progress on overseas expansion in 2013 was mixed with local market conditions and dimensions making our development slower than anticipated.

The first 6 months of the year saw Xodus go through a lengthy due diligence exercise which resulted in its parent's existing investors; Sunrise Energy and Simmoos Parallel Energy, exiting with new investment coming in from Chiyoda Corporation. The decision to bring Chiyoda into Xodus was built around their ultimate ambition to enter the upstream market as they predominantly operate in the downstream sector; LNG, refining, etc. Bringing in a large corporation to back Xodus gives additional financial resource to execute our planned development while at the same time maintaining the Xodus Group brand and culture.

2014 is expected to be a year of consolidation for Xodus. The focus will be on improving profitability and delivering improvement in the smaller overseas locations.

Going concern

The directors, having considered the company's financial position and future financial projections 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 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 – 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

Strategic report (continued)

Financial risk management

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

Cash flow risk

The company's activities expose it primarily to the risks of changes in foreign currency exchange rates. The company monitors its exposure on an ongoing basis and considers the merits of forward contracts and hedging. At this time no financial instruments are employed to hedge exposures.

Credit risk

The company's principal financial assets are trade and other receivables, bank balances 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 company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

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

Liquidity risk

The company monitors future cash flows and has access to invoice discounting facilities to ensure sufficient funds are available for ongoing operations.

Approved by the Board and signed on its behalf by



Emma Merchant
Director

26/06/2014

XODUS GROUP LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2013.

Directors

The directors each of whom served throughout the year and to the date of this report, are as follows:

C Manson
E Merchant
S Swindell

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is our policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

We place considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Xodus group of companies. This is achieved through formal and informal meetings and the group magazine, "XTRA".

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



Emma Merchant
Director

26/05/2014

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 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

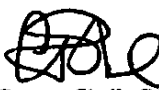
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

30 May 2014

XODUS GROUP LIMITED

Profit and loss account For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	2	52,473	48,616
Cost of sales		(40,178)	(35,896)
Gross profit		12,295	12,720
Administrative expenses		(9,975)	(8,840)
Other operating income		19	67
Operating profit	3	2,339	3,947
Interest receivable and similar income	6	7	2
Interest payable and similar charges	7	(264)	(215)
Profit on ordinary activities before taxation		2,082	3,734
Tax on profit on ordinary activities	8	(487)	(711)
Profit for the financial year	18	1,595	3,023

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

There are no recognised gains and losses other than as 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 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	1,908	2,382
Tangible assets	10	1,341	1,433
Investments	11	541	583
		<u>3,790</u>	<u>4,398</u>
Current assets			
Debtors	12	36,793	22,349
Cash at bank and in hand		3,509	6,448
		<u>40,302</u>	<u>28,797</u>
Creditors: amounts falling due within one year	13	<u>(30,947)</u>	<u>(21,133)</u>
Net current assets		<u>9,355</u>	<u>7,664</u>
Total assets less current liabilities		<u>13,145</u>	<u>12,062</u>
Creditors: amounts falling due after more than one year	14	<u>(374)</u>	<u>(886)</u>
Net assets		<u>12,771</u>	<u>11,176</u>
Capital and reserves			
Called up share capital	17	235	235
Share premium	18	115	115
Profit and loss account	18	12,421	10,826
Shareholders' funds	19	<u>12,771</u>	<u>11,176</u>

The financial statements of Xodus Group Limited, registered number SC286421, were approved by the board of directors and authorised for issue on 26/05/2014.

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 2013

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
Tenant's improvements	10% - 20% straight line, or period of lease if shorter
Computer equipment	33% straight line

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Exchange gains or losses are recognised 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 2013

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 recorded 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 expensed in 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 the value of goods and services provided under the company's principal activities net of sales taxes 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 2013

3. Operating profit

Operating profit is stated after charging:

	2013 £'000	2012 £'000
Amortisation of intangible assets:		
Goodwill	142	92
Licences	481	373
Depreciation of tangible fixed assets:		
Owned	623	532
Held under finance leases	184	159
Operating lease rentals:		
Plant and machinery	134	37
Other	1,225	1,024
Foreign exchange loss	12	57
Research and development	607	500
	<u> </u>	<u> </u>
 Fees payable to the company's auditor and associates for:		
Audit of the company's annual accounts	53	50
	<u> </u>	<u> </u>
Total audit fees	53	50
	<u> </u>	<u> </u>
Tax compliance services and total non audit	33	44
	<u> </u>	<u> </u>
Total	<u>86</u>	<u>94</u>

4. Staff costs

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

	2013 £'000	2012 £'000
Wages and salaries	17,739	15,556
Social security costs	2,071	1,880
Other pension costs (note 20)	1,677	1,377
	<u>21,487</u>	<u>18,813</u>

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

	2013 No.	2012 No.
Directors	3	3
Administration	37	45
Technical	261	200
	<u>301</u>	<u>248</u>

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

5. Directors' remuneration

	2013	2012
	£'000	£'000
Emoluments	203	394
Company pension contributions to defined contribution pension schemes	5	15
	<u>208</u>	<u>409</u>

During the period retirement benefits were accruing to one director (2012: one) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £208,000 (2012: £188,000).

Certain directors are also directors of other group companies who settle their remuneration. It is not considered practical to apportion directors' remuneration to this subsidiary on the basis of the level of service and accordingly no allocation has been made in the current or prior year. The remuneration paid by other group companies has been disclosed in the financial statements of the companies concerned.

6. Interest receivable

	2013	2012
	£'000	£'000
Bank interest receivable	<u>7</u>	<u>2</u>

7. Interest payable

	2013	2012
	£'000	£'000
On bank loans and overdrafts	4	7
Finance lease and hire purchase interest	26	24
Invoice discount interest	234	184
	<u>264</u>	<u>215</u>

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

8. Taxation

	2013 £'000	2012 £'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	699	980
Foreign tax relief	(60)	(32)
Adjustments in respect of prior periods	(208)	(196)
	<u>431</u>	<u>752</u>
Foreign tax on income for the year	68	42
	<u>499</u>	<u>794</u>
Deferred tax		
Origination and reversal of timing differences	(54)	(76)
Adjustment relating to prior year	25	(14)
Effect of changes in rates	17	7
	<u>(12)</u>	<u>(83)</u>
Total deferred tax		
	<u>487</u>	<u>711</u>
Tax on profit on ordinary activities		

The standard rate of current tax for the year, based on the UK standard rate of corporation tax was 23.25% (2012: 24.5%). 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:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>2,082</u>	<u>3,734</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	484	915
Effects of:		
Enhanced research and development deductions	-	(144)
Expenses not deductible for tax purposes	176	155
Depreciation in excess of capital allowances for year/period	47	69
Adjustments to tax charge in respect of prior periods	(208)	(196)
Short term timing differences	6	6
Group relief claimed	(14)	(21)
Higher tax rates on overseas earnings	8	10
	<u>499</u>	<u>794</u>
Current tax charge for the year		

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

9. Intangible fixed assets

	Goodwill £'000	Licences £'000	Total £'000
Cost			
At 1 January 2013	1,149	1,898	3,047
Additions	-	287	287
Purchase price adjustment	(138)	-	(138)
At 31 December 2013	1,011	2,185	3,196
Amortisation			
At 1 January 2013	165	500	665
Charge for the year	142	481	623
At 31 December 2013	307	981	1,288
Net book value			
At 31 December 2013	704	1,204	1,908
At 31 December 2012	984	1,398	2,382

During the year the final consideration due on a previous acquisition was reassessed with a consequent reduction in purchase price of £138,000.

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

10. Tangible fixed assets

	Furniture, fittings & equipment £'000	Tenant's improvements £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2013	535	1,265	2,026	3,826
Additions	78	21	616	715
At 31 December 2013	<u>613</u>	<u>1,286</u>	<u>2,642</u>	<u>4,541</u>
Depreciation				
At 1 January 2013	393	591	1,409	2,393
Charge for the year	97	228	482	807
At 31 December 2013	<u>490</u>	<u>819</u>	<u>1,891</u>	<u>3,200</u>
Net book value				
At 31 December 2013	<u>123</u>	<u>467</u>	<u>751</u>	<u>1,341</u>
At 31 December 2012	<u>142</u>	<u>674</u>	<u>617</u>	<u>1,433</u>

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

	2013 £'000	2012 £'000
Computer equipment	292	155
Tenant's improvements	1	8
	<u>293</u>	<u>163</u>

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Notes to the financial statements For the year ended 31 December 2013

11. Fixed asset investments

	Investments in subsidiaries £'000	Investments in joint venture £'000	Total £'000
At 1 January 2013	581	2	583
Disposal	(42)	-	(42)
At 31 December 2013	539	2	541
Net book value At 31 December 2013	539	2	541
At 31 December 2012	581	2	583

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 Group Pty	Australia	Well and subsurface consultancy services	100%
Xodus Group DMCC	United Arab Emirates	Well and subsurface consultancy services	100%
Xodus Oil and Gas Consultants (PTY) Limited	South Africa	Well and subsurface consultancy services	100%

* Dissolved on 4 October 2013.

Joint Venture

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

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

12. Debtors

	2013	2012
	£'000	£'000
Trade debtors	8,505	7,178
Amounts owed by group undertakings	18,463	6,355
Amounts owed by related parties	3,800	2,155
Prepayments and accrued income	5,445	6,068
Other debtors	479	504
Deferred tax asset (note 16)	101	89
	36,793	22,349

13. Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Finance lease obligations (note 15)	410	388
Invoice discounting (note 15)	6,095	5,006
Corporation tax	615	554
Trade creditors	2,043	1,770
Deferred consideration	162	200
Amounts owed to group undertakings	17,882	9,763
Social security and other taxes	1,473	1,062
Accruals and deferred income	2,267	2,390
	30,947	21,133

The invoice discounting advance is secured over the associated debtors.

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

	2013	2012
	£'000	£'000
Finance lease obligations (note 15)	74	286
Deferred consideration	300	600
	374	886

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

15. Borrowings

	2013 £'000	2012 £'000
Total borrowings:		
Invoice discounting advance	6,095	5,006
Finance leases obligations	484	674
	<u>6,579</u>	<u>5,680</u>
	2013 £'000	2012 £'000
The total borrowings above are repayable as follows:		
Within one year	6,505	5,394
Between one and two years	60	259
Between two and five years	14	27
	<u>6,579</u>	<u>5,680</u>

Finance lease obligations are secured over the relevant asset.

16. Deferred tax asset

	2013 £'000	2012 £'000
At 1 January	89	6
Credit in year	37	69
Adjustment in respect of prior years	(25)	14
At 31 December	<u>101</u>	<u>89</u>

The deferred tax asset is made up as follows:

	2013 £'000	2012 £'000
Accelerated capital allowances	68	58
Short term timing differences	33	31
	<u>101</u>	<u>89</u>

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Notes to the financial statements For the year ended 31 December 2013

17. Share capital

	2013 £'000	2012 £'000
Alotted, 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>

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 premium account £'000	Profit and loss account £'000
At 1 January 2013	115	10,826
Profit for the year	-	1,595
At 31 December 2013	<u>115</u>	<u>12,421</u>

19. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	11,176	8,153
Profit for the year	1,595	3,023
Closing shareholders' funds	<u>12,771</u>	<u>11,176</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 in the year amounted to £1,677,000 (2012: £1,377,000). At 31 December 2013 contributions of £163,000 (2012: £134,000) were outstanding.

XODUS GROUP LIMITED

Notes to the financial statements For the year ended 31 December 2013

21. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Expiry date:				
Within 1 year	30	152	138	52
Between 2 and 5 years	334	301	-	-
After more than 5 years	601	526	-	-
	<u>965</u>	<u>979</u>	<u>138</u>	<u>52</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 2013, Xodus Group Ltd has a receivable balance due from United Resources Ltd, an associate of Xodus Group (Holdings) Ltd, being the parent company of Xodus Group Ltd, an amount of £327,000 (2012: £284,000).

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 2013, £3,473,000 (2012: £1,871,000) is outstanding from that party.

23. Ultimate parent company

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

The smallest 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.

The largest group in which the results of the company are consolidated is that headed by Chiyoda Corporation who from 28 June 2013 became the ultimate parent party by virtue of their interest in the share capital of Xodus Group (Holding) Limited. Copies of the financial statements can be obtained from Chiyoda Corporation, Minato Mirai Grand Central Tower, 4-6-2, Minatomirai, Nishi-ku, Yokohama 220-8765, Japan. Chiyoda Corporation is not considered to have an ultimate controlling party.