

Utilisoft Limited  
FINANCIAL STATEMENTS  
for the year ended  
31 March 2011

TUESDAY



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COMPANIES HOUSE

# Utilisoft Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

P B Kennedy  
M H Evans  
N B Kennedy  
T Jackson-Smith

### SECRETARY

N J Makinson

### REGISTERED OFFICE

Alliance House  
Library Road  
Clayton le Woods  
Chorley  
Lancashire  
PR6 7EN

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

### SOLICITOR

Eversheds LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5DR

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# Utilisoft Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Utilisoft Limited for the year ended 31 March 2011

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of software for participants in the energy and utility markets

### REVIEW OF THE BUSINESS

During the financial year we extended our footprint of solutions to provide software to a wider variety of participants and we have won significant new business contracts. New solutions have been brought to the market for Meter Asset Providers and Energy Suppliers. We have won some significant contracts in the past 12 months. Co-op Energy, whom we believe will become one of the most significant new entrant suppliers to enter the UK electricity and gas markets in recent years, has selected Utilisoft software modules to manage most of its business functions, including industry dataflow management, CRM, Billing and power trading. Good Energy, an established provider of green energy, has selected Utilisoft to replace its core applications with our Futura CRM/Billing solution and AFMS platform. AFMS which is Utilisoft's flagship solution for Energy suppliers has become the industry leading solution for new entrant and 'mid-tier' suppliers and is now live in over 17 energy supply businesses, managing the data associated with over 1m end customers. Significant contracts were also won with several customers, including First Utility, Statoil, EDF Energy, GDFSUEZ and Centrica Trading. In addition, the proactive campaign to upgrade customers on older software variants has also proven to be successful. The company also relocated to Chorley in February 2011, which means that we have the space to accommodate further growth.

On 21 June 2010 the company's parent undertaking, Utiligroup Limited, was acquired by Bglobal plc thus further strengthening our position within the market place and to align our reporting to that of our new parent company these accounts have been prepared under International Financial Reporting Standards (IFRS)

### FUTURE DEVELOPMENTS

In the next 12 months we will be looking to consolidate the growth that has been achieved in the past year. Several of the long term projects that we have embarked upon are continuing which will provide a forward stream of revenue, as will the growing number of customers that have opted for long term quarterly licence charge arrangements. Software development continues to replace all software modules across the suite with modern web browser style user interfaces.

Utilisoft is excited by the DECC's announcements regarding the residential smart metering rollout. It is anticipated that new solutions will be required by all market participants to meet the future data management needs that this potential data explosion will generate. As new arrangements emerge however there will still be a need to maintain the older software into the future, maintaining systems in parallel and performing customer migration between the two, as customers are transitioned across from 'dumb' to smart meters. Utilisoft is well placed to influence the new requirements, to advise clients and to turn any new process specifications into software solutions.

### RESULTS AND DIVIDENDS

The profit for the year amounted to £1,152,070. The directors have not recommended a dividend.

### KEY PERFORMANCE INDICATORS

The Group monitors the following KPI's to ensure the business performs in line with expectations and that issues are identified promptly and efficiency measures can be quantified.

- Revenue growth,
- Revenue by customer
- Revenue by product
- Profitability

# Utilisoft Limited

## DIRECTORS' REPORT

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- Cash generation
- Accounts receivable days and accounts payable days

### RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is an important element of the management process throughout the Bglobal Group and are considered on a Group basis, internal controls have been developed to address the main business risks which are considered to be

#### *Strategic*

The Bglobal Group operates in a new market and seeks to ensure that it delivers effective solutions to its existing and potential clients

#### *Operational*

The Bglobal Group's most important assets are its employees, clients and IPR

- Employees are recruited carefully to address the needs of the business. Appropriate training is provided to support the development of employees. The parent company operates a SAYE share option scheme to which all current employees are eligible to join as and when invitations are made
- The needs of the Bglobal Group's clients are addressed to ensure that they are appropriate and a dedicated dispute resolution manager is employed to resolve any issues which may arise
- The Bglobal Group also recognises the importance of its IT infrastructure and back office systems to deliver its services. The Group has the appropriate controls in place to secure its data and maximise the operational efficiency of its systems. The Group also has controls in place to safeguard the IPR that it owns. The Group also has established procedures to maintain its appropriate accreditations

Controls exist to ensure information is made available to enable management to monitor the performance of the Bglobal Group

#### *Treasury policies and financial risk*

##### *Finance and interest rate risk*

Where appropriate, the company manages its exposure to interest rate fluctuations on its borrowings to reduce the impact of adverse variations in the market rates on the Company's profit and cash flow

##### *Liquidity risk*

The company manages its cash in a manner designed to ensure maximum benefit is gained whilst ensuring security of investment sources. The Bglobal Group's policy on investment of surplus funds is to place deposits at institutions with strong credit ratings

### DIRECTORS

The directors who served the Company during the year were as follows

P B Kennedy

M H Evans

A P Barnes (Appointed 18 June 2010 and resigned 10 November 2010)

J D Atkin (Resigned 18 June 2010)

N B Kennedy (appointed 18 June 2010)

T D Jackson Smith (appointed 18 June 2010)

# Utilisoft Limited

## DIRECTORS' REPORT

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### DIRECTORS' SHARE OPTIONS

At 31 March 2011, the following directors held options over the shares of the Parent Company

	At 31 March 2010	At 31 March 2011	Date exercisable	Expiry date
N B Kennedy	401,000	401,000	26 March 2010	26 March 2017
N B Kennedy	-	988,663	31 March 2011-2013	17 June 2020
T Jackson-Smith	-	988,663	31 March 2011-2013	17 June 2020

There were 200,000 options exercised in the period by Mr A P Barnes

### EMPLOYEE INVOLVEMENT

The Company recognises and seeks to encourage the involvement of its employees, with the aim being the recruitment, motivation and retention of quality employees throughout the Company. An approved share option scheme is in place operated within the Enterprise Management Incentive Scheme, as well as an unapproved option scheme. This scheme is administered by the ultimate parent company.

The Company's employment policies, including the commitment to equal opportunity, are designed to attract, retain and motivate employees regardless of sex, race, religion or disability. Equality of treatment includes full and fair assessment of applications and extends to training and continuing career development.

The Company is committed to ensuring and communicating the requirements for a safe and healthy working environment for all employees, consistent with health and safety legislation and, wherever practicable, gives full consideration to applications for employment from disabled persons.

### CHARITABLE AND POLITICAL DONATIONS

A charitable donation of £1,500 was made in 2011 (2010 £1,789). No political donations were made by the Company in either period.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

During the year Baker Tilly UK Audit LLP, were appointed auditors and have indicated their willingness to continue in office.

By order of the board



N J Makinson  
Company Secretary

# Utilisoft Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 of the company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether they have been prepared in accordance with IFRS as adopted by the EU,
- d 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 UTILISOFT LIMITED

We have audited the financial statements which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### Opinion on the 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 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the provisions 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

*Baker Tilly UK ASit LLP*

GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

*31/1/12*

# Utilisoft Limited

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £
<b>REVENUE</b>	1	4,322,813	3,101,707
Cost of sales		(605,719)	(292,702)
Gross profit		3,717,094	2,809,005
Administrative expenses		(2,365,582)	(2,202,674)
<b>PROFIT FROM OPERATIONS</b>	2	1,351,512	606,331
Finance income	5	255	2,006
<b>PROFIT BEFORE TAXATION</b>		1,351,767	608,337
Taxation	6	(199,697)	(171,713)
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<u>1,152,070</u>	<u>436,624</u>

The profit from operations for the year arises from the company's continuing operations

There were no items of other comprehensive income, and as such, the profit for the year is equivalent to total comprehensive income for the year

# Utilisoft Limited

## STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2011

Company no 2931236

	Notes	2011 £	2010 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	8	133,271	31,890
Financial asset investment	9	-	4
		<u>133,271</u>	<u>31,894</u>
<b>Current assets</b>			
Trade and other receivables	10	3,501,029	1,449,823
Cash and cash equivalents	11	204,734	502,321
		<u>3,705,763</u>	<u>1,952,144</u>
<b>Total assets</b>		<u><u>3,839,034</u></u>	<u><u>1,984,038</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the company</b>			
Share capital	18	5,000	5,000
Capital contribution reserve		1,378	-
Retained earnings		1,790,729	638,659
<b>Total equity</b>		<u><u>1,797,107</u></u>	<u><u>643,659</u></u>
<b>Current liabilities</b>			
Trade and other payables	12	1,838,432	1,168,666
Current tax liabilities	13	203,495	171,713
<b>Total current liabilities</b>		<u><u>2,041,927</u></u>	<u><u>1,340,379</u></u>
<b>Total liabilities</b>		<u><u>2,041,927</u></u>	<u><u>1,340,379</u></u>
<b>Total equity and liabilities</b>		<u><u>3,839,034</u></u>	<u><u>1,984,038</u></u>

The financial statements on pages 7 to 26 were approved by the board of directors and authorised for issue on 27 JANUARY 2012 and are signed on their behalf by



M H Evans  
(Director)

# Utilisoft Limited

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2011

	Share Capital	Capital Contribution Reserve	Retained Earnings	Total
	£	£	£	£
At 1 April 2009	5,000	-	316,035	321,035
Total comprehensive profit for the year	-	-	436,624	436,624
Dividends	-	-	(114,000)	(114,000)
At 31 March 2010	5,000	-	638,659	643,659
Share based compensation	-	1,378	-	1,378
Total comprehensive profit for the year	-	-	1,152,070	1,152,070
At 31 March 2011	5,000	1,378	1,790,729	1,797,107

Share capital arises on the issue of shares. The retained earnings reflects profit earned to date.

The capital contribution reserve is the recognition of share based payment transactions relating to options by the ultimate Parent Company over the ultimate Parent Company shares to employees of the Company.

**Utilisoft Limited**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 March 2011**

	2011 £	2010 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,351,767	608,337
Share-based compensation	1,378	-
Finance income	(255)	(2,006)
Depreciation	25,153	14,992
Increase in trade and other receivables	(2,051,206)	(274,196)
Increase in trade and other payables	669,766	(32,910)
Loss on disposal of asset	660	291
Loss on disposal of investments	4	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(2,733)</b>	<b>314,508</b>
Taxation paid	(167,915)	(115,817)
Dividend paid	-	(114,000)
<b>NET CASH GENERATED IN OPERATIONS</b>	<b>(170,648)</b>	<b>84,691</b>
<b>INVESTING ACTIVITIES</b>		
Payments to acquire property, plant & equipment	(127,194)	(13,268)
Finance income	255	2,006
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(126,939)</b>	<b>(11,262)</b>
Net (decrease)/increase in cash and cash equivalents	(297,587)	73,429
Cash & cash equivalents at the beginning of the financial year	502,321	428,892
Cash & cash equivalents at the end of the financial year	204,734	502,321

# Utilisoft Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2011

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### BASIS OF PREPARATION

These financial statements are the first published financial statements of Utilisoft Limited prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") The financial statements of Utilisoft Limited were previously prepared in accordance with UK GAAP

Some of the IFRS recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP Consequently, the directors have amended certain accounting policies to comply with IFRS The directors have also taken advantage of certain exemptions from the requirements of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") including International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted for use in the European Union (EU) and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs

Utilisoft Limited is incorporated and domiciled in the United Kingdom The financial statements are presented in sterling which is also the functional currency of the company

The financial statements have been prepared on the historical cost basis The principal accounting policies adopted are set out below

### GOING CONCERN

The directors believe that the use of the going concern basis of accounting is appropriate because they consider the company has considerable financial resources, together with long-term contracts with a number of customers As such the directors believe that the company is well placed to manage its business risks successfully The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

### CONSOLIDATION

The Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 408 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts These financial statements present information about the Company as an individual undertaking

### REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and other sales related taxes

For software supplied, the initial licence charge is invoiced and the full value of the revenue is recognised upon installation

Annual renewal licences are invoiced on the anniversary of the installation date for the next 12 months in advance The income is recognised in 12 equal instalments on a monthly basis with the balance being shown as deferred income

The supply of consultancy services are invoiced and the income is recognised on a monthly basis

# Utilisoft Limited

## ACCOUNTING POLICIES

### for the year ended 31 March 2011

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#### SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, comprises executive and departmental directors.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost comprises purchase price and other directly attributable costs. Depreciation is charged so as to write off the cost of assets to their residual values over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	5 years or the life of the lease if shorter
Fixtures and fittings	5 years
IT Equipment	3 years

The gain or profit arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### IMPAIRMENT

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment profit is recognised as an expense immediately.

Where an impairment profit subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment profit been recognised for the asset (CGU) in prior years. A reversal of an impairment profit is recognised as income immediately.

#### INVESTMENTS

Investments are initially recorded at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequently they are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

# Utilisoft Limited

## ACCOUNTING POLICIES

### for the year ended 31 March 2011

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#### *Trade receivables*

Trade receivables, classified as loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

#### *Trade payables*

Trade payables, classified as other liabilities are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

#### *Financial liability*

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An instrument will be classified as a financial liability when there is a contractual obligation to deliver cash or another financial asset to another enterprise.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdraft where a right of set off exists.

#### LEASING COMMITMENTS

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

#### FOREIGN CURRENCIES

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the reporting date. All differences are taken to the statement of comprehensive income.

#### RESEARCH AND DEVELOPMENT

Expenditure undertaken by the Company on research activities is recognised in the income statement as incurred.

Expenditure on development costs which relates to the application of research to the development of new products or processes is capitalised provided that specific projects are identifiable, technically and commercially feasible and the Group has sufficient resources to complete development. Other development costs are recognised in the income statement as incurred.

The expenditure capitalised includes bought in goods and services, direct labour and attributable overheads.

Capitalised development costs are stated at cost less accumulated amortisation and provisions for impairment.

#### TAXATION

Current tax is the expected corporation tax payable or receivable in respect of the taxable profit/profit for the financial year using tax rates enacted or substantively enacted at the reporting date, less any adjustments to tax payable or receivable in respect of previous periods.

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities included in the financial statements and the amounts used for tax purposes that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

# Utilisoft Limited

## ACCOUNTING POLICIES

### for the year ended 31 March 2011

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No provision is made relating to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than those acquired as part of a business combination

Provision is made for deferred tax that would arise on all taxable temporary differences associated with investments and interests in joint ventures, except where the Company can control the reversal of the temporary differences

Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences and unused tax Profit and credits can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date

#### PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated

#### RETIREMENT BENEFIT PLANS

Obligations for contributions to defined contribution retirement benefit plans are charged as an expense as they fall due

#### SHARE-BASED PAYMENT TRANSACTIONS

The Company has applied the requirements of IFRS 2 Share-based payment transactions

The Company and its ultimate parent undertaking issue equity-settled share-based payment transactions to certain employees. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments, takes account of and non vesting conditions and is expensed on a straight line basis over the vesting period, based on the Company's estimate of share options that will eventually vest and a corresponding amount credited to share based payments reserve

Non vesting conditions which are not satisfied during the vesting period, are treated as cancellations and any remaining expense is accelerated in the period of failure

The proceeds received on exercise of share options are credited to share capital (for the nominal value) and share premium account (for the excess over nominal value)

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations

# Utilisoft Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2011

### INTERPRETATIONS OF STANDARDS

#### *Amendments to published standards effective for the period ended 31 March 2011*

The following new standards, amendments to standards or interpretations became effective for the first time. The adoption of these interpretations, standards or amendments to standards were either not relevant for the company or have not led to any significant impact on the Company's financial statements

Standard		Issued	Effective date periods commencing on or after	EU Endorsement status
IFRS 2	"Share-based Payments – Amendment, Cash-settled Share-based Payment Transactions	18 Jun 08	1 Jan 10	23 Mar 10
IAS 32	Financial Instruments Presentation – Amendment, Classification of Rights Issues	8 Oct 09	1 Feb 10	23 Dec 09
IFRS 8	Operating Segments – Improvements	18 Apr 09	1 Jan 10	23 Mar 10
IAS 1	Presentation of Financial Statements – Improvements	18 Apr 09	1 Jan 10	23 Mar 10
IAS 7	Statement of Cash Flows – Improvements	18 Apr 09	1 Jan 10	23 Mar 10
IAS 17	Leases – Improvements	18 Apr 09	1 Jan 10	23 Mar 10
IAS 36	Impairment of Assets – Improvement	18 Apr 09	1 Jan 10	23 Mar 10
IAS 39	Financial Instruments Recognition and Measurement – Improvements	18 Apr 09	1 Jan 10	23 Mar 10

#### *Interpretations to existing standards and new standards that are not yet effective and have not been adopted early by the Company*

At the date of the authorisation of the financial information, the following standards and interpretations, which have not been applied in the financial information, were in issue but not yet effective

Standard		Issued	Effective date periods commencing on or after	EU Endorsement Status
IAS 24	Revised IAS 24 Related Party Disclosures	4 Nov 09	1 Jan 11	19 Jul 10
IFRS 7	Financial Instruments Disclosures – Amendments, Disclosures – Transfer of Financial Assets	7 Oct 10	1 Jul 11	Q3 2011
IFRIC 19	Extinguishing financial liabilities with equity instruments	26 Nov 09	1 Jul 10	23 Jul 10
IFRS 3	Business Combinations	6 May 10	1 Jul 10	18 Feb 11
IAS 27	Consolidated & separate financial statements – improvements	6 May 10	1 Jul 10	18 Feb 11
IAS 12	Income Taxes – Amendment, Deferred Tax, Recovery of Underlying Assets	20 Dec 10	1 Jan 12	Q4 2011
IFRS 9	Financial Instruments	12 Nov 09	1 Jan 13	Postponed

# Utilisoft Limited

## ACCOUNTING POLICIES

### for the year ended 31 March 2011

Standard		Issued	Effective date periods commencing on or after	EU Endorsement Status
IFRS 7	Financial Instruments Disclosures – Improvements	6 May 10	1 Jan 11	18 Feb 11
IAS 1	Presentation of Financial Statements – Improvements	6 May 10	1 Jan 11	18 Feb 11
IFRS 11	Joint Arrangements	May 11	1 Jan 13	Not yet endorsed
IFRS 12	Disclosure of Interest in Other Entities	May 11	1 Jan 13	Not yet endorsed
IAS 27	Separate Financial Statements	May 11	1 Jan 13	Not yet endorsed

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information when the relevant standards and interpretations come into effect

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgements about carrying values of assets and liabilities that are both readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. These assumptions include but are not limited to the following areas -

#### *Share based payment charge*

The fair value of options granted under the scheme is measured by use of the Black-Scholes model, selected by the Directors as the most appropriate model for this purpose. Expected volatility was based upon the historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations. The risk free rate approximation was taken as the UK Government 10 year bond yield. Vesting conditions relating to staff retention were based on historical average Revenue levels for the appropriate staff levels.

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2011

### 1 SEGMENTAL INFORMATION

At this stage of the Company's development, the directors are of the opinion that there is only one business segment within the activities of the Company relating to the supply of market leading energy data management and process solutions. This is the business segment used for internal reporting purposes and reviewed by the Directors to assess performance and allocate resources. As overheads and the assets and liabilities of the Company are not separately allocated to sub-segments for internal reporting purposes, it is not practical to report on this separately. The Company generated total revenues from its 2 largest customers of £432,500 and £365,642 (2010: £437,125 and £377,900). All operations are carried out within the United Kingdom and the EU.

### 2 PROFIT FROM OPERATIONS

Profit from operations is stated after charging

	2011 £	2010 £
Depreciation of owned fixed assets	25,153	14,992
Auditor's remuneration		
- as auditor	12,500	9,855
Operating lease costs		
Property, plant & equipment	33,333	40,000
Exchange rate loss	18,958	1,785
Loss on disposal of fixed assets	660	291

Amounts payable to Baker Tilly UK Audit LLP and their associates in respect of both audit and non-audit services

	2011 £	2010 £
<b>Audit Services</b>		
- Fee's payable to the Company's auditor for the audit of the Company accounts	12,500	-
<b>Other Services</b>		
- Tax Compliance and advisory services	-	-
	<u>12,500</u>	<u>-</u>

Baker Tilly Tax and Accounting Limited provided tax compliance and advisory services to the Parent Company in relation to the Company.

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2011

### 3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial year amounted to

	2011	2010
	No	No
Administration	35	36
Management	5	5
	<u>40</u>	<u>41</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,647,487	1,368,554
Social security costs	189,217	169,613
Other pension costs	69,915	68,789
	<u>1,906,619</u>	<u>1,606,956</u>

At the reporting date there was £2,000 accrued contributions outstanding (2010 £nil)

### 4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2011	2010
	£	£
Emoluments receivable	131,000	121,996
Pension contributions	11,500	19,200
Other benefits	<u>1,545</u>	<u>1,528</u>

Emoluments of highest paid director

	2011	2010
	£	£
Total emoluments (excluding pension contributions)	120,000	111,038
Pension contributions	11,500	19,200
Other benefits	<u>1,545</u>	<u>1,528</u>
	<u>133,045</u>	<u>131,766</u>

The number of directors accruing benefits under defined contribution schemes was 1 (2010 1)

During the year 200,000 options were exercised by A P Barnes

### 5 FINANCE INCOME

	2011	2010
	£	£
Interest received	<u>255</u>	<u>2,006</u>

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2011

### 6 TAXATION

	2011 £	2010 £
Current tax		
Corporation tax at 28% (2010 28%)	199,697	171,713
Total current tax	199,697	171,713
Income tax charge	199,697	171,713

The charge for the period can be reconciled to the profit per the Statement of comprehensive income as follows

	2011 £	2010 £
Profit for the year	1,152,070	436,624
Adjustment to taxable profit	199,697	171,713
Profit on ordinary activities before tax	1,351,767	608,337
Tax at the UK corporation tax rate of 28% (2010 28%)	378,495	170,334
Expenses not deductible for tax purposes	-	1,379
Depreciation in excess of capital allowances	45,202	-
Non-taxable income	(224,000)	-
Total tax charge	199,697	171,713

### 7 DIVIDENDS

No dividend was declared during the year (2010 £114,000 (22.8p per share))

**Utilisoft Limited**  
**NOTES TO FINANCIAL STATEMENTS**  
for the year ended 31 March 2011

**8 PROPERTY, PLANT & EQUIPMENT**

	Leasehold Improvements £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 April 2009	-	54,737	330,432	385,169
Additions	-	2,757	10,511	13,268
Disposals	-	(51,697)	(282,062)	(333,759)
At 31 March 2010	-	5,797	58,881	64,678
Depreciation				
At 1 April 2009	-	54,029	297,235	351,264
Charge for the year	-	856	14,136	14,992
On disposal	-	(51,697)	(281,771)	(333,468)
At 31 March 2010	-	3,188	29,600	32,788
Net book value				
At 31 March 2010	-	2,609	29,281	31,890
Cost				
At 1 April 2010	-	5,797	58,881	64,678
Additions	78,804	8,633	39,757	127,194
Disposals	-	-	(1,080)	(1,080)
At 31 March 2011	78,804	14,430	97,558	190,792
Depreciation				
At 1 April 2010	-	3,188	29,600	32,788
Charge for the year	4,925	1,164	19,064	25,153
Depreciation on disposal	-	-	(420)	(420)
At 31 March 2011	4,925	4,352	48,244	57,521
Net book value				
At 31 March 2011	73,879	10,078	49,314	133,271

Depreciation is recognised within administrative expenses in the statement of comprehensive income

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2011

### 9 FINANCIAL ASSET INVESTMENTS

Investment in subsidiaries	2011 £	2010 £
Cost at 1 April	4	4
Disposals	(4)	-
	<u>-</u>	<u>4</u>

Details of subsidiaries are as follows

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Formfill Data Design Limited	England	Ordinary shares	100%	Dormant
Formfill Enterprises Limited	England	Ordinary shares	100%	Dormant
Formfill Solutions Limited	England	Ordinary shares	100%	Dormant
Formfill Technology Limited	England	Ordinary shares	100%	Dormant

On 31 May 2011, these companies were dissolved

### 10 TRADE AND OTHER RECEIVABLES

	2011 £	2010 £
Trade receivables	2,001,545	1,000,575
Amounts owed by group undertakings	1,419,606	394,327
Prepayments and accrued income	79,878	54,921
	<u>3,501,029</u>	<u>1,449,823</u>

Within the amounts owed by group undertakings £321,227 were due after one year (2010 £372,109)

The Directors consider that the carrying amount of trade and other receivables approximates their fair value Included in trade receivables is £66,315 denominated in Euros (2010 £90,853)

The Company's credit risk is primarily attributable to trade receivables The amounts presented in the statement of financial position are net of allowances for doubtful receivables The Company is concentrating on recovering certain debts which are overdue There is an allowance for doubtful receivables in the year of £60,000 (2010 £18,468) The ageing profile of trade receivables is shown below

	2011 £	2010 £
Current	1,270,023	444,804
31-60 days old	128,655	145,188
60-90 days old	138,637	25,362
Over 90 days	524,230	403,689
	<u>2,061,545</u>	<u>1,019,043</u>
Opening allowance	(18,468)	(154,116)
Allowance for doubtful receivables	(60,000)	-
Utilised in year	18,468	135,648
	<u>2,001,545</u>	<u>1,000,575</u>

The directors are of the opinion that none of the overdue debts other than those already provided for require impairment

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2011

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### 11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Company. The carrying amount of the asset approximates the fair value. Balances held in sterling amount to £174,469 (2010: £501,376) and Euro £30,265 (2010: £945).

### 12 TRADE AND OTHER PAYABLES

	2011 £	2010 £
<b>Current</b>		
Trade payables	261,492	82,215
Other taxes and social security	297,077	172,729
Amounts owed to group undertakings	175,000	4
Accruals and deferred income	1,104,863	913,718
	<u>1,838,432</u>	<u>1,168,666</u>

The carrying amount of trade and other payables approximates to their fair values. All amounts are denominated in sterling.

### 13 CURRENT TAX LIABILITIES

	2011 £	2010 £
Corporation tax	<u>203,495</u>	<u>171,713</u>

### 14 FINANCIAL ASSETS AND LIABILITIES

The Company's treasury policy and management of financial instruments, which form part of these financial statements, are set out in the financial review.

#### Currency risk

The Company has overseas trade receivables which are paid in Euros directly into a Euro bank account. As the company has no overseas liabilities these monies are from time to time exchanged to sterling at spot rate.

The company also has an outstanding intercompany balance with an overseas subsidiary that is denominated in sterling. The local currency is Australian Dollars.

#### Credit risk

The Company's credit risk is primarily attributable to trade receivables and cash.

Credit risk with respect to trade receivables is due to the Company's trading with a limited number of companies who are generally large utility companies or financial institutions though there are a number of small new entrants who are a greater risk. The Company has reviewed these and does not expect in the normal course of events that these debts are at significant risk apart from the ones already provided for. The Company's maximum exposure to credit risk is reflected in the carrying amounts of its financial assets as set out in the table in this note.

The Company is concentrating on recovering certain debts which are overdue.

#### Interest rate risk

The Company has no interest rate exposure as it has no interest bearing financial assets and liabilities.

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2011

### 14 FINANCIAL ASSETS AND LIABILITIES (continued)

#### Liquidity risk

The Company manages its cash in a manner designed to ensure maximum benefit is gained whilst ensuring security of investment sources. The Bglobal Group's policy on investment of surplus funds is to place deposits at institutions with strong credit ratings to manage the Company's credit risk exposure.

	Financial Assets	Financial liabilities
	Loans and receivables	Other liabilities
	£	£
2011		
Trade and other receivables	3,421,151	-
Cash and cash equivalents	204,734	-
Trade and other payables	-	733,569
Tax liabilities	-	203,495
<b>Total</b>	<b>3,625,885</b>	<b>937,064</b>
	Financial Assets	Financial liabilities
	Loans and receivables	Other liabilities
	£	£
2010		
Trade and other receivables	1,394,902	-
Cash and cash equivalents	502,321	-
Trade and other payables	-	254,948
Tax liabilities	-	171,713
<b>Total</b>	<b>1,897,223</b>	<b>426,661</b>

### 15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Leasehold property	
	2011	2010
	£	£
Within 1 year	10,416	33,333
Between 1 and 5 years	500,000	-
Over 5 years	364,584	-
	<b>875,000</b>	<b>33,333</b>

During the period the company moved to new premises. Operating lease charge for the period amounted to £33,333 (2010: £40,000). The average remaining lease term for property is 9 years 7 months.

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31 March 2011

#### 16 SHARE BASED PAYMENT TRANSACTIONS

The Company has granted equity settled share options to selected employees. The exercise price is the market value of the shares at the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire.

A reconciliation of option movements over the year to 31 March 2011 and 31 March 2010 is shown below.

	2011	Weighted average exercise price	2010	Weighted average exercise price
	Number		Number	
Outstanding at 1 April	-	-	-	-
Granted during the year	171,840	37.5p	-	-
Forfeited in the period	-	-	-	-
Exercised in the period	-	-	-	-
Outstanding at 31 March	171,840	37.5p	-	-
Exercisable at 31 March	-	-	-	-

The options outstanding at 31 March 2011 had a weighted average exercise price of 37.5p and a weighted average remaining contractual life of 10 years.

The Company recognised the following expense in relation to share-based payment transactions,

	2011	2010
	£	£
Charged to Statement of comprehensive income	1,378	-

The fair value of options granted under the scheme is measured by use of the Black Scholes model. The inputs into the Black Scholes model for options granted during the year to employees of Utilisoft Limited were:

	05/02/2011
Grant date	
Share price at grant date	37.5p
Exercise price	37.5p
Number of employees	21
Share options granted	171,840
Vesting period (years)	3
Expected volatility	58.8%
Option life (years)	10
Expected life (years)	3
Risk free rate	4.64%
Expected dividends expressed as a dividend yield	0%
Fair value per option	27p

Expected volatility was based upon the historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31 March 2011

#### 17 RELATED PARTY TRANSACTIONS

A number of these entities transacted with Utilisoft Limited in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of the transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction value year ended 31 March		Balance outstanding as at 31 March	
	Note	2011 £	2010 £	2011 £	2010 £
Bglobal Metering Limited and subsidiary companies					
– sale of software & licences	(i)	24,079	22,932	-	-
– sale of software support	(ii)	30,000	120,000	-	104,250
– reimbursed expenses & consultancy	(iii)	19,073	59,451	-	37,204

Note (i) – Utilisoft Limited, a subsidiary of Utiligroup Limited, sold software to Bglobal Metering Limited, a subsidiary of Bglobal plc, which is a company of which P Kennedy is a director and shareholder.

Note (ii) – Utilisoft Limited, a subsidiary of Utiligroup Limited, sold software support to Bglobal Metering Limited, a subsidiary of Bglobal plc, which is a company of which P Kennedy is a director and shareholder.

Note (iii) – Utilisoft Limited, a subsidiary of Utiligroup Limited, recharged expenses incurred and provided consultancy to Bglobal Metering Limited, a subsidiary of Bglobal plc, which is a company of which P Kennedy is a director and shareholder.

The transactions included above are prior to the acquisition of Utilisoft Limited by Bglobal plc on 21 June 2010. After that date, the balances are included within intercompany transactions.

#### Transactions between group companies

During the year, the company had the following transactions with its subsidiary company:

	2011 £	2010 £
Amounts due from group undertakings at 1 April	394,328	372,109
Charges/payments made on behalf of group undertakings	(37,872)	22,219
Software licences & consultancy supplied to B Global Metering Ltd	263,150	-
Bglobal plc contingent liability on acquisition	800,000	-
Amounts due from group undertakings at 31 March	<u>1,419,606</u>	<u>394,328</u>

At the year end, the Company owed £175,000 to its parent, Bglobal plc (2010: £nil).

# Utilisoft Limited

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31 March 2011

#### 18 SHARE CAPITAL

	2011 No	2010 No
Authorised		
250,000 Ordinary 'A' shares of £0 01	2,500,000	2,500,000
250,000 Ordinary 'B' shares of £0 01	2,500,000	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>
	2011 £	2010 £
Allotted, called up and fully paid		
250,000 Ordinary 'A' shares of £0 01	2,500	2,500
250,000 Ordinary 'B' shares of £0 01	2,500	2,500
	<u>5,000</u>	<u>5,000</u>

A and B class shares have equal voting rights of 1 vote per share

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

#### 19 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Utiligroup Limited, a company incorporated in England & Wales. The ultimate controlling party is Bglobal plc, a company incorporated in England and Wales and is the smallest and larger group for which consolidated financial statements are prepared and which the company is included. A copy of the financial statements can be obtained from the Registrar of Companies, Cardiff.

#### 20 TRANSITION TO IFRS

This is the first period for which the company has presented its financial statements under IFRS as adopted by the European Union. The date of transition to IFRS was 1 April 2009.

In the opinion of the Directors, the company's cash flows and financial position as at 31 March 2010 were not affected by the transition to IFRS except that the presentation of the Statement of Cash Flows and the Statement of Financial Position differ from the presentational formats required by FRS 1 (Revised) Cash Flow Statements and the Companies Act 2006. Furthermore, there were also no recognition and measurement differences arising on transition to IFRS. As such no reconciliation of total comprehensive income has been presented.