

Utilisoft Limited
FINANCIAL STATEMENTS

for the year ended

31 March 2014

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COMPANIES HOUSE

Utilisoft Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P B Kennedy (resigned 15 August 2013)
N B Kennedy (resigned 22 October 2013)
T D Jackson-Smith (resigned 20 June 2014)
A Green (appointed 10 May 2013)
M C Hirst (appointed 10 May 2013)
J H Grant (appointed 27 March 2014, resigned 20 June 2014)
S Gosling (appointed 20 June 2014)
M Evans (appointed 20 June 2014)
J Furness (appointed 20 June 2014)

SECRETARY

N J Makinson (resigned 20 June 2014)
S Gosling (appointed 20 June 2014)

REGISTERED OFFICE

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

AUDITOR

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Utilisoft Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Utilisoft Limited for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year was the provision of software for participants in the energy and utility markets and the sale of pre-accredited energy supply companies.

REVIEW OF THE BUSINESS

Utilisoft has had another strong year of growth in terms on acquiring new customers, renewing business with current customers, developing new software modules and recruiting staff. Utilisoft has further cemented its status as a market leading provider of software solutions to Energy Suppliers, Traders, Distributors, Metering organisations and Asset Providers. Utilisoft's products are now used by over 30 Energy suppliers in the UK market.

The business continues to assist new entrant energy suppliers and work with established, growing energy organisations to ensure that operational benefits can be achieved through the use of its software, in light of customer behavior-driven and regulatory change.

FUTURE DEVELOPMENTS

Utilisoft will continue to innovate and enhance its current solutions and develop new software technologies to meet the needs of energy market participants. This development will help participants overcome the significant challenges that they will face over the coming few years. On 20 June 2014, Utilisoft Limited and other companies were acquired by Utiligroup Acquisitions Limited which is backed by NorthEdge Capital LLP and Utiligroup's management team. Utiligroup Limited is now the ultimate controlling party of the company.

RESULTS AND DIVIDENDS

The profit for the year amounted to £803,516 (2013: loss of £197,067). The directors have not recommended a dividend.

KEY PERFORMANCE INDICATORS (KPIs)

The company was a member of the Bglobal Plc group during the financial period. Management monitors the following KPIs across the group 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
- 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 Plc Group, of which Utilisoft Limited is a part, and is 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.

Utilisoft Limited

DIRECTORS' REPORT

Operational:

The Bglobal Group's most important assets are its employees, clients and Intellectual Property Rights (IPR):

- Employees are recruited carefully to address the needs of the business. Appropriate training is provided to support the development of employees. The ultimate parent company operates a Save As You Earn (SAYE) share option scheme 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

Liquidity risk

The company manages its cash in a manner designed to ensure maximum benefit is gained whilst ensuring security of investment. 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 (resigned 15 August 2013)
N B Kennedy (resigned 22 October 2013)
T D Jackson Smith (resigned 20 June 2014)
A Green (appointed 10 May 2013)
M C Hirst (appointed 10 May 2013)
J H Grant (appointed 27 March 2014, resigned 20 June 2014)

There is third party indemnity insurance in place for the directors of the Company.

Utilisoft Limited

DIRECTORS' REPORT

DIRECTORS' SHARE OPTIONS

At 31 March 2014, the following directors held options over the shares of the Parent Company:

	<u>At</u> <u>31 March</u> <u>2014</u>	<u>At</u> <u>31 March</u> <u>2013</u>	<u>Date</u> <u>exercisable</u>	<u>Expiry date</u>
T D Jackson-Smith	1,000,000	1,000,000	30 September 2014	30 September 2021
A Green	100,000	100,000	7 September 2014	6 September 2021
MC Hirst	100,000	100,000	7 September 2014	6 September 2021

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 at group level and 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

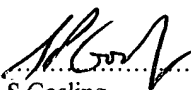
A charitable donation of £200 was made in 2014 (2013: £880). No political donations were made by the Company in either period.

AUDITORS

A decision on the future auditors of the company will be made shortly.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the board


.....
S Gosling
Company Secretary
18 July 2014

Utilisoft Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and 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;
- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 the auditors are aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILISOFT LIMITED

We have audited the financial statements of Utilisoft Limited for the year ended 31 March 2014 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities)

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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union United Kingdom Generally Accepted Accounting Practice applicable to smaller entities ; 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors Report.



Stuart Muskett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

18 July 2014

Utilisoft Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2014

	<i>Notes</i>	2014 £	2013 £
REVENUE	1	5,206,239	3,208,191
Cost of sales		(274,318)	(157,746)
Gross profit		4,931,921	3,050,445
Administrative expenses		(4,128,817)	(3,248,080)
PROFIT /(LOSS)FROM OPERATIONS	2	803,104	(197,635)
Finance income/(costs)	5	412	568
PROFIT/(LOSS) BEFORE TAXATION		803,516	(197,067)
Taxation	6	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		803,516	(197,067)

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

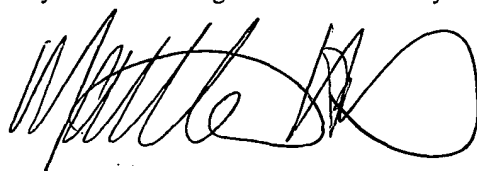
STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2014

Company no 2931236

	Notes	2014 £	2013 £
ASSETS			
Non-current assets			
Financial asset investment	7	-	675,000
Intangible assets	8	1,617,494	674,788
Property, plant & equipment	9	111,918	95,355
Amounts owed by group undertakings	10	-	560,651
		<u>1,729,412</u>	<u>2,005,794</u>
Current assets			
Trade and other receivables	10	2,620,171	1,470,427
Energy companies held for resale	11	152,452	-
Cash and cash equivalents	12	440,960	220,118
		<u>3,213,583</u>	<u>1,690,545</u>
Total assets		<u>4,942,995</u>	<u>3,696,339</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital	19	5,000	5,000
Share based compensation reserve		29,294	17,447
Retained earnings		2,649,121	1,845,605
Total equity		<u>2,683,415</u>	<u>1,868,052</u>
Current liabilities			
Trade and other payables	13	2,259,580	1,828,287
Current tax liabilities	14	-	-
Total current liabilities		<u>2,259,580</u>	<u>1,828,287</u>
Total liabilities		<u>2,259,580</u>	<u>1,828,287</u>
Total equity and liabilities		<u>4,942,995</u>	<u>3,696,339</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 7 to 27 were approved by the board of directors and authorised for issue on 18 July 2014 and are signed on their behalf by:



MC Hirst
(Director)

Utilisoft Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

	Share Capital	Share based compensation Reserve	Retained Earnings	Total
	£	£	£	£
At 31 March 2012	5,000	8,892	2,042,672	2,056,564
Share based compensation	-	8,555	-	8,555
Total comprehensive loss for the year	-	-	(197,067)	(197,067)
At 31 March 2013	5,000	17,447	1,845,605	1,868,052
Share based compensation	-	11,847	-	11,847
Total comprehensive profit for the year	-	-	803,516	803,516
At 31 March 2014	5,000	29,294	2,649,121	2,683,415

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

The share based compensation 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 2014

	2014 £	2013 £
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss)/ before taxation	803,516	(197,067)
Share-based compensation	11,847	8,555
Finance income	(412)	(568)
Depreciation	59,975	50,335
Amortisation	108,480	95,824
Decrease in trade and other receivables	26,020	1,843,893
(Increase)/decrease in trade and other payables	453,318	(178,140)
Movement on energy supply companies held for resale	(152,452)	-
Loss on disposal of asset	-	120
CASH GENERATED FROM OPERATIONS	1,310,292	1,622,952
Taxation received/(paid)	-	49,051
NET CASH GENERATED FROM OPERATIONS	1,310,292	1,672,003
INVESTING ACTIVITIES		
Payments to acquire property, plant & equipment	(76,538)	(15,385)
Proceeds on disposal of fixed assets	-	118
Payments to acquire intangible assets	(376,186)	(510,607)
Payment to acquire subsidiary undertaking	-	(675,000)
Finance income	412	568
NET CASH USED IN INVESTING ACTIVITIES	(452,312)	(1,200,306)
FINANCING ACTIVITIES		
Movement in Group borrowings	(637,138)	(669,353)
NET CASH USED IN FINANCING ACTIVITIES	220,842	(669,353)
Net increase/(decrease) in cash and cash equivalents	220,842	(197,656)
Cash & cash equivalents at the beginning of the financial year	220,118	417,774
Cash & cash equivalents at the end of the financial year	440,960	220,118

Utilisoft Limited

ACCOUNTING POLICIES

for the year ended 31 March 2014

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU, including International Financial Reporting Interpretations Committee ("IFRIC") interpretations as endorsed by the EU and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 remain unchanged from the previous year and 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 recognised upon installation unless the contract is on a rental basis with no deemed date of expiry.

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 revenue recognised in line with the work performed.

Utilisoft Limited

ACCOUNTING POLICIES

for the year ended 31 March 2014

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, (hereafter, "the board").

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 loss 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 loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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 loss is recognised as an expense immediately.

Where an impairment loss 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 loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

INVESTMENTS

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

Utilisoft Limited

ACCOUNTING POLICIES

for the year ended 31 March 2014

FINANCIAL INSTRUMENTS

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

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 liabilities

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 of cash at bank and in hand. For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, which represents the fair value of the consideration received, net of any issue costs associated with the borrowings. Borrowings are subsequently stated at amortised cost.

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 Company 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.

Amortisation 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:

Development costs	5 years
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Utilisoft Limited

ACCOUNTING POLICIES

for the year ended 31 March 2014

TAXATION

Current tax is the expected corporation tax payable or receivable in respect of the taxable profit/loss 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:

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 losses 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 any 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 2014

INTERPRETATIONS AND STANDARDS EFFECTIVE IN THE CURRENT PERIOD

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 Group's and Company's financial statements.

Standard		Effective date: periods commencing on or after
IAS 12	Amendment to IAS 12: Deferred tax - Recovery of Underlying Assets	1 January 2013
IAS 1	Presentation of financial statements – Amendment; Presentation of items of other comprehensive income	1 July 12
IFRS 13	Fair Value Measurement	1 January 13
	Transition Guidance - Amendments to IFRS 10, IFRS 11 & IFRS 12	1 January 2013
IFRS12	Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014
IFRS 7	Financial Instruments – Disclosure – Amendment; Offsetting Financial Assets and Financial Liabilities	1 January 13
IAS 27	Separate Financial Statements (as amended 2011)	1 January 13
IAS 28	Investments in Associates and Joint Ventures (as amended 2011)	1 January 13

Interpretations to existing standards and new standards that are not yet effective and have not been adopted early by the Group and 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		Effective date: periods commencing on or after
IFRS 9	Financial Instruments	-
IFRS10	Consolidated Financial Statements	1 January 14
IFRS 11	Joint Arrangements	1 January 14
IFRS 12	Disclosure of Interests in Other Entities	1 January 14
IFRS 15	Revenue from contracts with customers	1 January 17
IFRS 9 and IFRS7	Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7	-
IAS 32	Financial Instruments – Presentation – Financial Assets and Financial Liabilities	Amendment; Offsetting 1 January 14

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.

Utilisoft Limited

ACCOUNTING POLICIES

for the year ended 31 March 2014

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:-

Valuation of intangibles

Acquired intangibles assets are valued based on future economic generation net of tax and discounted back to a net present value. Thus significant estimates are required to determine future likely cashflows and discount rates.

Impairment of intangible assets and investments

The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during the period.

Estimate of useful economic life of intangible assets

The Group assesses the useful economic life of intangible assets on an annual basis.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

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 software for participants in the energy and utility markets. 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 £630,182 and £305,420 (2013: £334,058 and £304,915). All operations are carried out within the United Kingdom and the EU.

2 PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations is stated after charging:

	2014 £	2013 £
Depreciation of owned fixed assets	59,975	50,335
Amortisation	108,480	95,824
Auditor's remuneration		
- as auditor	8,000	8,000
- tax advice and compliance	2,000	2,000
Operating lease costs:		
Property, plant & equipment	100,000	100,000
Exchange rate loss	(3,291)	(339)
Loss on disposal of fixed assets	-	120

Amounts payable to Grant Thornton UK LLP and their associates in respect of both audit and non-audit services:

	2014 £	2013 £
Audit Services		
- Fees payable to the Company's auditor for the audit of the Company accounts	8,000	8,000
Other Services		
- Tax Compliance and advisory services	2,000	2,000
	<u>10,000-</u>	<u>10,000</u>

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

3 PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Administration	63	52
Management	3	3
	<u>66</u>	<u>55</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,538,888	2,109,472
Social security costs	311,343	249,646
Other pension costs	101,937	87,005
	<u>2,952,168</u>	<u>2,446,123</u>

At the reporting date there was £16,319 accrued pension contributions outstanding (2013: £12,108).

4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2014	2013
	£	£
Emoluments receivable	283,000	51,762
Pension contributions	12,250	2,500
Other benefits	1,290	468
	<u>296,540</u>	<u>54,730</u>

Emoluments of highest paid director:

	2014	2013
	£	£
Total emoluments (excluding pension contributions)	144,000	51,762
Pension contributions	6,250	2,500
Other benefits	658	468
	<u>150,908</u>	<u>54,730</u>

The number of directors accruing benefits under defined contribution schemes was 2 (2013:1).

No options were exercised in either year by the directors.

5 FINANCE INCOME

	2014	2013
	£	£
Interest received	412	568
	<u>412</u>	<u>568</u>

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

6 TAXATION

	2014 £	2013 £
Current tax:		
Corporation tax at 23% (2013: 24%)	-	-
Total current tax	-	-
Income tax (credit)/charge	-	-

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

	2014 £	2013 £
Profit/(Loss) for the year	803,516	(197,067)
Tax (credit)/charge	-	-
Profit/(Loss) on ordinary activities before tax	803,516	(197,067)
Tax at the UK corporation tax rate of 23% (2013: 24%)	184,809	(47,296)
Fixed asset differences	117,552	9,512
Expenses not deductible for tax purposes	3,885	5,503
Other tax adjustments, reliefs and transfers	(85,490)	-
Tax credit received / R&D	(108,154)	(300,383)
Group relief	(49)	70,280
Capital allowances in excess of depreciation	(182,200)	-
Tax losses not recognised as a deferred tax asset	-	249,075
Effect of rate change	-	13,309
Other short term timing differences	2,205	-
Unrelieved tax losses and other deductions	67,442	-
Total tax charge	-	-

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

7 FINANCIAL ASSET INVESTMENTS

	2014 £	2013 £
Company:		
Investments in subsidiaries:		
Cost at 1 April	675,000	-
Acquisition of Draig Technology Limited	-	675,000
Transfer to goodwill	(675,000)	-
At 31 March	<u>-</u>	<u>675,000</u>

Draig Technology Limited was purchased on 21 September 2012 for £675,000 cash consideration. Costs associated with the acquisition were expensed to the income statement in accordance with IFRS. During the year the trade and assets of Draig Technology Limited were hived up, as a result of this the investment was transferred to goodwill.

8 INTANGIBLE ASSETS

	Goodwill £	Development Expenditure £	Total £
2013			
Cost			
At 1 April 2012	-	260,005	260,005
Additions	-	510,607	510,607
At 31 March 2013	<u>-</u>	<u>770,612</u>	<u>770,612</u>
Amortisation			
At 1 April 2012	-	-	-
Charge for the year	-	95,824	95,824
At 31 March 2013	<u>-</u>	<u>95,824</u>	<u>95,824</u>
Net book value			
At 31 March 2013	<u>-</u>	<u>674,788</u>	<u>674,788</u>
2014			
Cost			
At 1 April 2013	-	770,612	770,612
Additions	-	376,186	376,186
Reclassification from investments	675,000	-	675,000
At 31 March 2014	<u>675,000</u>	<u>1,146,798</u>	<u>1,821,798</u>
Amortisation			
At 1 April 2013	-	95,824	95,824
Charge for the year	-	108,480	108,480
At 31 March 2014	<u>-</u>	<u>204,304</u>	<u>204,304</u>
Net book value			
At 31 March 2014	<u>675,000</u>	<u>942,494</u>	<u>1,617,494</u>

Goodwill impairment review

Goodwill is allocated to the one operating segment of the company and is tested for impairment at this level. The company tested goodwill for impairment and the recoverable amounts of the cash generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to revenue and direct costs during the period.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. This discount rate has been estimated at 14.1% (2013: 14.1%).

The company prepares forecasts derived from the most recent financial budgets for the periods to 31 March 2015 and 2016. Changes in revenue and direct costs are based on past experience and expectations of future changes in the market. The forecasts are approved by management and cash flows extrapolated thereafter in perpetuity based on an estimated growth rate of 2.25%. As a result of this review, management believes that no impairment provision is required. A shortfall of over 25% in profitability, compared to the budget, of the software and services segment would be required to result in an impairment of the goodwill.

Amortisation is recognised within administrative expenses in the Statement of Comprehensive Income.

9 PROPERTY, PLANT & EQUIPMENT

	Leasehold Improvements £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 April 2012	80,926	24,183	133,023	238,132
Additions	-	1,361	14,024	15,385
Disposals	-	(272)	-	(272)
At 31 March 2013	<u>80,926</u>	<u>25,272</u>	<u>147,047</u>	<u>253,245</u>
Depreciation				
At 1 April 2012	20,901	7,917	78,771	107,589
Charge for the year	16,212	4,525	29,598	50,335
On disposal	-	(34)	-	(34)
At 31 March 2013	<u>37,113</u>	<u>12,408</u>	<u>108,369</u>	<u>157,890</u>
Net book value				
At 31 March 2013	<u>43,813</u>	<u>12,864</u>	<u>38,678</u>	<u>95,355</u>
Cost				
At 1 April 2013	80,926	25,272	147,047	253,245
Additions	2,300	1,261	72,977	76,538
Disposals	-	-	-	-
At 31 March 2014	<u>83,226</u>	<u>26,533</u>	<u>220,024</u>	<u>329,783</u>
Depreciation				
At 1 April 2013	37,113	12,408	108,369	157,890
Charge for the year	16,368	4,648	38,959	59,975
On disposal	-	-	-	-
At 31 March 2014	<u>53,481</u>	<u>17,056</u>	<u>147,328</u>	<u>217,865</u>
Net book value				
At 31 March 2014	<u>29,745</u>	<u>9,477</u>	<u>72,696</u>	<u>111,918</u>

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

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

10 TRADE AND OTHER RECEIVABLES

	2014	2013
	£	£
Trade receivables	1,014,062	1,060,413
Amounts owed by group undertakings	1,381,164	205,400
Prepayments and accrued income	224,945	204,614
	<u>2,620,171</u>	<u>1,470,427</u>

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Included in trade receivables is £19,242 denominated in Euros (2013: £22,713).

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 £nil (2013: £nil). The ageing profile of trade receivables is shown below:

	2014	2013
	£	£
Current	553,560	867,261
31-60 days old	206,085	48,607
60-90 days old	21,100	17,992
Over 90 days	233,317	126,553
	<u>1,014,062</u>	<u>1,060,413</u>
Opening allowance	-	-
Allowance for doubtful receivables	-	-
Utilised in year	-	-
	<u>1,014,062</u>	<u>1,060,413</u>

The directors are of the opinion that none of the overdue debts, other than those already provided for, are impaired.

NON-CURRENT	2014	2013
	£	£
Amounts owed by group undertakings	<u>-</u>	<u>560,651</u>

11 ENERGY COMPANIES HELD FOR RESALE

	2014	2013
	£	£
Companies held for resale	<u>152,452</u>	<u>-</u>

12 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 £440,380 (2013: £219,587) and Euro £580 (2013: £531).

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

13 TRADE AND OTHER PAYABLES

	2014	2013
Current	£	£
Trade payables	201,824	186,779
Other taxes and social security	265,781	252,933
Amounts owed to group undertakings	65,422	87,447
Accruals and deferred income	1,726,553	1,301,128
	<u>2,259,580</u>	<u>1,828,287</u>

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

14 CURRENT TAX LIABILITIES

	2014	2013
	£	£
Corporation tax	<u>-</u>	<u>-</u>

15 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 have 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.

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 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 significant interest bearing financial assets and liabilities.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2014

15 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.

2014	Financial Assets	Financial liabilities
	Loans and receivables	Other liabilities
	£	£
Trade and other receivables	2,620,171	-
Cash and cash equivalents	440,960	-
Trade and other payables	-	533,027
Tax liabilities	-	-
Total	3,061,131	533,027

2013	Financial Assets	Financial liabilities
	Loans and receivables	Other liabilities
	£	£
Trade and other receivables	1,470,427	-
Cash and cash equivalents	220,118	-
Trade and other payables	-	527,159
Tax liabilities	-	-
Total	1,690,545	527,159

16 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Leasehold property	
	2014	2013
	£	£
Within 1 year	100,000	100,000
Between 1 and 5 years	400,000	400,000
Over 5 years	245,675	345,675
	745,675	845,675

During the prior period the company moved to new premises. Operating lease charge for the period amounted to £100,000 (2013: £100,000). The average remaining lease term for property is 7 years 5 months.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

17 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 2014 and 31 March 2013 is shown below:

	2014		2013	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 April	603,135	13.2p	502,270	16.9p
Granted during the year	-	-	327,429	10.5p
Forfeited in the period	(150,156)	12.5p	(226,564)	17.6p
Exercised in the period	-	-	-	-
Outstanding at 31 March	<u>452,979</u>	<u>13.4p</u>	<u>603,135</u>	<u>13.2p</u>
Exercisable at 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2014 had a weighted average exercise price of 13.4p and a weighted average remaining contractual life of 4.41 years.

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

	2014	2013
	£	£
Charged to Statement of comprehensive income	<u>11,847</u>	<u>8,555</u>

The fair value of options granted under the scheme is measured by use of the Black Scholes model. 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.

18 RELATED PARTY TRANSACTIONS

Transactions with key management are disclosed below:

In addition to their salaries the Company also provides certain non cash benefits to directors and non executive officers. Key management personnel compensation comprised:

	2014	2013
	£	£
Equity settled share options	5,519	4,090
Short term benefits (including NIC)	<u>321,476</u>	<u>682,660</u>

At 31 March 2014 three directors held share options as noted in the Directors' Report.

A number of key management personnel hold positions in other entities that result in them having control or significant influence over the financial or operating policies of Utilisoft Limited.

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.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

Transactions between group companies

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

	2014 £	2013 £
Amounts due from group undertakings at 1 April	678,604	1,159,369
Charges/payments made on behalf of group undertakings	7,046	12,969
Repayment of loans from Utilisoft PTY Ltd	-	(246,531)
Software licences & consultancy supplied to B Global Metering Ltd	178,655	290,244
Payment to Bglobal plc	218,752	(450,000)
Payment to B Global Metering	326,304	
Intercompany balance on acquisition of Draig Technology Ltd		(225,639)
Purchases from Draig Technology post acquisition	-	(246,667)
Payments to Draig Technology post acquisition	22,030	384,859
Repayment of loan from Utiligroup	(115,649)	-
	<u>1,315,742</u>	<u>678,604</u>
Comprising;		
Amounts due from group undertakings at 31 March	1,381,164	766,051
Amounts due to group undertakings at 31 March	(65,422)	(87,447)
	<u>1,315,742</u>	<u>678,604</u>

At the year end the Company was owed £779,403 from its parent, Bglobal plc (2013: £560,651 owed by parent). These have been settled post the year end.

19 SHARE CAPITAL

	2014 No	2013 No
Authorised:		
250,000 Ordinary 'A' shares of £0.01	250,000	250,000
250,000 Ordinary 'B' shares of £0.01	250,000	250,000
	<u>500,000</u>	<u>500,000</u>
	2014 £	2013 £
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.

Utilisoft Limited

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2014

20 POST BALANCE SHEET EVENTS

On 20 June 2014, Utilisoft Limited and other companies were acquired by Utiligroup Acquisitions Limited which is backed by NorthEdge Capital LLP and Utiligroup's management team. Utiligroup Limited is now the ultimate controlling party of the company.

21 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Utiligroup Holdings Limited, a company incorporated in England & Wales. The ultimate controlling party during the financial period is Bglobal Plc, a company incorporated in England and Wales, which is both the smallest and largest group for which consolidated financial statements are prepared and in which the company is included. Following the disposal by Bglobal Plc of the Utiligroup on 20 June 2014 (see note 20), the ultimate parent company is now Utiligroup Limited. A copy of the financial statements can be obtained from the Registrar of Companies, Cardiff.